

No 30800

The Companies Acts 1985 and 2006

A PUBLIC COMPANY LIMITED BY SHARES

RESOLUTIONS

of

THE HEAVITREE BREWERY PLC

(Passed 24 April 2009)

At the ANNUAL GENERAL MEETING of the above-named Company, duly convened and held on 24 April 2009, the following Resolutions were duly passed, of which Resolutions 2 and 3 were passed as Special Resolutions:

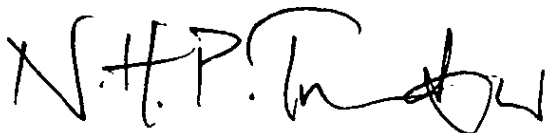
RESOLUTION

- 1 THAT the Company be hereby authorised to purchase up to an aggregate of 299,204 Ordinary Shares of 5p each and/or 492,371 'A' Limited Voting Ordinary Shares of 5p each in the capital of the Company at a price (exclusive of expenses) which is:

- (a) not more than £15 nor less than 5p per share; and
- (b) not more than 5% above the arithmetical average of business transacted (as derived from the Daily Official List of The London Stock Exchange) for the ten business days next preceding any such purchase;

AND THAT the authority conferred by this Resolution shall expire on the date of the Company's Annual General Meeting in 2010 (except in relation to the purchase of shares the contract for which was concluded before such date and might be executed wholly or partly after such date).

- 2 THAT the Articles of Association produced to the meeting and initialled by the Chairman for the purposes of identification be hereby adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.
- 3 That a General Meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.



N H P TUCKER
Director

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The Companies Acts 1985 to 2006

A PUBLIC COMPANY LIMITED BY SHARES

(as adopted by Special Resolution passed on 24 April 2009)

- of -

(Incorporated on 7 February 1890)

These are the new Articles of Association produced to the Annual General Meeting of The Heavitree Brewery PLC held on 24 April 2009

N. P. Tander
Chairman

MICHAEL CONN GOLDSOBEL
Solicitors
24 Queen Anne Street
London W1G 9AX

The Companies Acts 1985 and 2006

A PUBLIC COMPANY LIMITED BY SHARES

Articles of Association

of

The Heavitree Brewery PLC

(as adopted by Special Resolution passed on 24 April 2009)

1 Preliminary

1.1 The regulations in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) and in any Table A applicable to the Company under any former enactment shall not apply to the Company.

1.2 In these Articles, the words and expressions set out in the first column below shall bear the respective meanings set opposite them:

the 1985 Act	the Companies Act 1985;
the 2006 Act	the Companies Act 2006;
the Act	the 1985 Act and the provisions of the 2006 Act from time to time in force;
AIM Rules	the rules for AIM companies made by the London Stock Exchange as amended from time to time;
these Articles	these Articles of Association as from time to time altered;
the Auditors	the auditors for the time being of the Company;
the Board or the Directors	the Board of Directors for the time being of the Company or the Directors present or deemed to be present at a duly convened meeting of Directors at which a quorum is present;
Business Day	a day which is not a Saturday, Sunday, Christmas Day, Good Friday or bank holiday in England under the Banking and Financial Dealings Act 1971;
debenture	debenture or debenture stock;

EU	European Union;
the London Stock Exchange	London Stock Exchange plc;
Office	the registered office for the time being of the Company;
paid	paid or credited as paid;
Proxy Notice	a notice in writing appointing a proxy pursuant to Article 11.6;
Register of Members	the register of members of the Company to be kept pursuant to Section 352 of the 1985 Act;
relevant system	any computer-based system, and procedures from time to time permitted by the Uncertificated Securities Regulations and the rules of the London Stock Exchange, which enable title to units of a security to be evidenced and transferred without written instrument and which facilitate supplementary incidental matters including, without limitation, the relevant system of which CRESTco is the operator;
Seal	the common seal of the Company;
Securities Seal	an official seal kept by the Company by virtue of Section 40 of the 1985 Act;
Stock Exchange Nominee	a nominee designated in the rules of the London Stock Exchange for the purposes of Section 185 of the 1985 Act;
the Uncertificated Securities Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No 3755) including any modification thereof or any regulation in substitution therefor and for the time being in force; and
writing	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

1.3 In these Articles, the expression "Adjusted Capital and Reserves" means at any material time a sum equal to the aggregate of:

- (a) the amount paid up on the issued share capital of the Company; and
- (b) the amount standing to the credit of the capital and revenue reserves of the Company and its subsidiaries (including any share premium account or capital redemption reserve) after adding thereto or deducting therefrom any balance to the credit or debit of profit and loss account;

all based on a consolidation of the then latest available audited balance sheets of the Company and its subsidiaries but after:

- (c) substituting for the historic cost of the Group's portfolio of public houses the Directors' open market valuation thereof;
- (d) excluding any sums set aside for taxation less any sums properly added back in respect thereof;
- (e) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such reserves subsequent to the relevant balance sheet date and so that for this purpose if any issue or proposed issue of shares by the Company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription monies payable in respect thereof (not being monies payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
- (f) making such adjustments as may be appropriate in respect of any distributions declared recommended or made by the Company or its subsidiaries (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the latest audited balance sheet of the company or subsidiary (as the case may be) to the extent that such distribution is not provided for in such balance sheet;
- (g) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries since the date of the latest audited balance sheet of the Company;
- (h) if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary, making all such adjustments as would be appropriate if such transaction had been carried into effect; and
- (i) excluding minority interests in subsidiaries.

The determination of the Auditors as to the amount of the Adjusted Capital and Reserves at any time shall be conclusive and binding on all concerned and for the purposes of their computation the Auditors may at their discretion make such further or other adjustments (if any) as they think fit.

- 1.3 The expressions "hard copy form", "electronic form", "electronic means" and "address" shall be interpreted in accordance with the 2006 Act.
- 1.4 References in these Articles to statutory provisions, enactments or EU Directives shall include references to any amendment, modification, extension, consolidation, replacement or re-enactment of any such provision, enactment or EU Directive from time to time in force and to any regulation, instrument or order or other subordinate legislation made under such provision, enactment or EU Directive.
- 1.5 Save for the words and expressions defined in Articles 1.3 and 1.4, any words or expressions defined in the Act shall bear the same respective meanings (if not inconsistent with the subject or context) in these Articles.
- 1.6 Where for any purpose an Ordinary Resolution of the Company is required, a Special Resolution shall also be effective.

2 Share Capital

2.1 The share capital of the Company as at the date of the adoption of these Articles is £1,200,000 divided into 11,695 11½ per cent. Cumulative Preference Shares of £1 each ("the Original Preference Shares") and 1,994,699 Ordinary Shares, 3,282,478 "A" Limited Voting Ordinary Shares and 18,488,923 Unclassified Shares all of 5p each. The said Ordinary and "A" Limited Voting Ordinary Shares shall, save as otherwise provided by these Articles, rank *pari passu* as a single and uniform class of shares, and are sometimes together referred to herein as "Ordinary Share Capital".

2.2 The rights, as regards participation in the profits and assets of the Company, attaching to these shares shall be as follows.

(A) The holders of the Original Preference Shares shall be entitled (*pari passu* with any payment of dividend on any Additional First Preference Shares for the time being in issue but in priority to any payment of dividend on any other class of shares) to a fixed cumulative preferential dividend at the rate of 11½ per cent. per annum to be paid, if and so far as in the opinion of the Directors the profits of the Company justify such payments, half-yearly on 30 April and 31 October in every year in respect of the half-years ending on those days respectively. Subject thereto and to any special rights which may be attached to any other class of shares, the profits of the Company available for dividend and resolved to be distributed shall be distributed by way of dividend among the holders of the Ordinary Share Capital.

(B) On a return of assets on a winding up the assets of the Company available for distribution among the members shall be applied first (but *pari passu* with any payments falling to be made in respect of any Additional First Preference Shares for the time being in issue) in repaying to the holders of the Original Preference Shares the amounts paid up on such shares together with the premium hereinafter mentioned and together also with a sum equal to the amount of any arrears or deficiency of the fixed dividend thereon, to be calculated down to the date of the return of capital and to be payable irrespective of whether or not such dividend has been declared or earned. The balance of such assets, subject to any special rights which may be attached to any other class of shares, shall be applied in repaying to the holders of the Ordinary Share Capital the amounts paid up on such shares and subject thereto shall belong to and be distributed among such holders rateably according to the number of such shares held by them respectively.

(C) The premium hereinbefore mentioned in respect of each of the Original Preference Shares shall be calculated as follows.

(1) The said premium shall (subject as hereinafter provided) be a sum per share equal to the excess (if any) over the nominal amount paid up on such shares of the average of the respective means of the daily nominal quotations shown by the Daily Official List of The London Stock Exchange during the period of six months immediately preceding the relevant date (or that part of the said period during which the said shares shall have been so listed) after first deducting from the mean on each day a sum equal to any arrears or accruals of the fixed dividend (whether earned or declared or not) on such share up to that day but so that in respect of any day on which such shares are quoted ex any dividend such dividend shall be treated as if it had been paid. If during the whole of the

said period the said shares shall not have been listed on The London Stock Exchange, no premium shall be payable. If the nominal amount of such shares shall, by reason of consolidation or sub-division or otherwise, be greater or less than £1 the said premium shall be increased or reduced proportionately.

- (2) If the said premium shall not be a multiple of 1p per share it shall be adjusted upwards to the nearest multiple of 1p per share.
- (3) The said premium shall be determined as soon as possible after the relevant date by the Auditors who for such purpose may make such adjustments as they deem appropriate to take account of any consolidation or sub-division or capitalisation issue or other material alteration in share capital during the period mentioned in paragraph (1) above. The determination of the Auditors shall be final and binding on all persons concerned.
- (4) The expression "relevant date" shall mean (in the case of a return of assets on a winding up by the Court otherwise than subsequently to the passing of an effective resolution of the Company in General Meeting for winding up) the date of the presentation of the petition for winding up and (in any other case) the date thirty days before the despatch of the notice convening the General Meeting at which the resolution for winding up was proposed.

2.3 The Company may from time to time create and issue further Preference Shares (in these Articles called "Additional First Preference Shares" and together with the Original Preference Shares called "the First Preference Shares") ranking as regards participation in the profits and assets of the Company *pari passu* with (but not in priority to) the Original Preference Shares. Any such Additional First Preference Shares may carry as regards participation in the profits and assets of the Company either rights identical in all respects with the Original Preference Shares or with any other series of the First Preference Shares previously created or rights differing therefrom in that:

- (a) the rate of dividend may differ;
- (b) the Additional First Preference Shares may rank for dividend as from such date as may be provided by the terms of issue thereof and the half-yearly dates for the payment of dividend may differ;
- (c) the premium payable on a return of capital may differ or there may be no such premium;
- (d) the Additional First Preference Shares may be redeemable on such terms and conditions (subject as aforesaid) as may be prescribed by the terms of issue thereof; and
- (e) the Additional First 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 First Preference Shares;

provided that no Additional First Preference Shares shall be issued unless at the time of such issue and in relation thereto the Auditors shall have certified in writing to the Company that immediately following such issue the aggregate of the nominal amount of the issued First Preference Shares would not exceed an amount equal to one-half of the Adjusted Capital and Reserves.

- 2.4 Except as hereinbefore provided the issue of further shares ranking as regards participation in the profits or assets of the Company in any respect in priority to or *pari passu* with the First Preference Shares shall be deemed to be a variation of the special rights attached to such shares.
- 2.5 If at any time all the First Preference Shares in issue are not identical in all respects then each series of First Preference Shares which are in all respects identical shall (subject as hereinafter provided) be deemed to constitute a separate class of shares for the purposes of the next following Article which shall have effect as regards the First Preference Shares subject to the following provisions.
- (A) The variation of the rate of dividend payable on a single series or of the premium payable thereon or (if such series is redeemable) of the provisions of the Articles of Association as to the redemption thereof or (if such series is convertible) of the terms of conversion thereof shall not be deemed to be a modification of the special rights attached to any other series if the Auditors shall have certified in writing that if upon the date of such variation the shares in question were cancelled and re-issued subject to such variation the re-issue would not infringe the provisions of Article 2.3.
- (B) If any proposed variation or abrogation of rights affects each or more than one series and the Directors shall be of the opinion that there is no conflict of interests between holders of any of the series so affected all such series 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 affects each or more than one series and the Directors shall be of the opinion that there is or might be a conflict of interests between the holders of one series or group of series so affected and other series or group of series so affected each series or group of series so affected which in the opinion of the Directors should be treated separately shall be deemed to constitute a separate single class in respect of which a separate consent or sanction is required.
- 2.6 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 Act, be varied or abrogated either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of a Special 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 these Articles relating to General Meetings of the Company and to proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class (but so that if at an adjourned meeting a quorum as above defined is not present any two holders 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 whereof are to be varied.
- 2.7 The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by these Articles or by the terms of issue thereof 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.

- 2.8 The Company may from time to time by Ordinary Resolution increase its share capital by such sum to be divided into shares of such amounts and carrying such rights as the resolution may prescribe. All new shares shall (unless the Company shall in General Meeting otherwise determine) be subject to the provisions of these Articles with reference to allotment, transfer, transmission and otherwise.
- 2.9 The Company may by Ordinary Resolution:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or been agreed to be taken, by any person, and diminish the amount of its share capital by the nominal amount of the shares so cancelled; and
 - (c) sub-divide its shares, or any of them, into shares of smaller amount (subject nevertheless to the provisions of the Act), and so that the resolution whereby any share is sub-divided may determine that, as regards each share so sub-divided, one or more of the shares resulting from such sub-division may have any such preferred or other special rights, or may have such deferred rights, or be subject to any such restrictions as compared with the others, as the Company has power to attach to unissued or new shares.
- 2.10 Upon any consolidation of fully paid shares into shares of larger amount the Directors may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and, in the case of any shares registered in the name of one holder being consolidated with shares registered in the name of another holder, may make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof and for the distribution among the persons entitled thereto of the net proceeds of such sale; and for such purpose may appoint some person to transfer the consolidated share to the purchaser. Provided that the necessary unissued shares are available, the Directors may alternatively in each case where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share, issue to each such holder credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding to such a multiple (such issue being deemed to have been effected immediately prior to the related consolidation); and the amount required to pay up such shares shall be appropriated at their discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares.
- 2.11 The Company may by Special Resolution reduce its share capital and any capital redemption reserve and any share premium account or other undistributable reserve in any manner.
- 2.12 Subject to the provisions of the Act and to any rights for the time being attached to any shares, the Company may purchase or enter into a contract under which it will or may purchase any of its own shares (including any redeemable shares) but so that, if there shall be in issue any securities which are admitted to the Official List of the UK Listing Authority or to trading on the AIM Market of the London Stock Exchange and which are convertible into, or exchangeable for, or which carry a right to subscribe, equity shares in the capital of the Company of the class proposed to be

purchased ("convertible securities"), then the Company shall not purchase, or enter into a contract under which it will or may purchase, such equity shares unless either:

- (a) the terms of issue of such convertible securities include provisions permitting the Company to purchase its own equity shares or providing for adjustment to the conversion terms upon such a purchase; or
- (b) the purchase, or the contract, has first been approved by a Special Resolution passed at a separate meeting of the holders of such convertible securities.

3 Issues of Shares

- 3.1 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 Act, the Company may issue any shares which are, or at the option of the Company or the holder are liable, to be redeemed.
- 3.2 Subject to the provisions of these Articles and of the Act 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, who 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.
- 3.3 In extension of the powers conferred upon them by Article 3.2, the Directors are generally authorised, pursuant to and in accordance with Section 80 of the 1985 Act, to exercise for each Prescribed Period all the powers of the Company to allot, and to make offers or agreements to allot, relevant securities up to the Prescribed Amount in nominal amount for such purposes as the Directors think fit: provided that the aggregate nominal amount of equity securities allotted or agreed to be allotted wholly for cash during such period otherwise than in connection with a Rights Issue shall not exceed five per cent. of the aggregate of the nominal amount of the Ordinary Share Capital in issue at the beginning of that Prescribed Period.
- 3.4 Pursuant to and within such authority the Directors are empowered, during the first Prescribed Period and during any other period (not exceeding five years on any occasion) for which this power may be renewed by Special Resolution, to allot, or make offers or agreements to allot, equity securities as if Section 89(1) of the 1985 Act did not apply to any such allotment. This Article 3.4 shall also apply to a sale of treasury shares, which is an allotment of equity securities by virtue of Section 94(3A) of the 1985 Act, but with the omission of the words "Pursuant to and within such authority".
- 3.5 By virtue of such authority and such power the Directors may make offers or agreements prior to the expiry of such authority which would or might require the making of allotments after the expiry thereof.
- 3.6 For the purposes of this Article 3:
 - (a) "Rights Issue" means an offer of securities open for a period determined by the Directors to holders of Ordinary Share Capital on the register on a specified record date in proportion to their then holdings of such shares (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional

entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or stock exchange in, any territory);

- (b) "Prescribed Period" means in the first instance the period of five years expiring on 12 April 2010 and shall include any other period (not exceeding five years on any occasion) for which the authority conferred by Article 3.3 is renewed or extended by Ordinary Resolution stating the Prescribed Amount for such period; and
- (c) the "Prescribed Amount" shall for the first Prescribed Period be £93,089 and for any other Prescribed Period shall be stated in the relevant Ordinary Resolution, or in either case any increased amount determined by Ordinary Resolution.

3.7 The Company may exercise the powers of paying commissions conferred by the Act to the full extent thereby permitted. The Company may also, on any issue of shares, pay such brokerage as may be lawful. Subject to the provisions of the Act, any such commission or brokerage may be satisfied by the payment of cash, the allotment of fully or partly paid shares, the grant of options or warrants to call for an allotment of shares or any combination of such methods.

3.8 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 thereof 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 and/or allow the rights attached to be one or more participating securities for the purposes of the Uncertificated Securities Regulations, in each case upon and subject to such terms and conditions as the Directors may think fit to impose.

3.9 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or 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 these Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

4 Certificates

4.1 Every person whose name is entered in the Register of Members (except a Stock Exchange Nominee in respect of whom the Company is not required to complete and deliver a certificate) shall be entitled without payment to one certificate for all his shares of each class, or, upon payment of such fee (if any) for every certificate after the first as the Directors shall from time to time determine, to several certificates, each for one or more of his shares.

4.2 Every certificate shall be issued within ten Business Days after the lodgement with the Company of the transfer of the related shares, not being a transfer which the Company is for any reason entitled to refuse to register and does not register, unless the conditions of issue of such shares otherwise provide. In the case of an allotment of shares subject to a right of renunciation, one or more certificates for such shares shall be issued within one month of the latest date for such renunciation. Every certificate shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates and shall state:

- (a) the name of any external registrars appointed by the Company; and
- (b) the address at which transfers of shares should be lodged.

4.3 The Company shall not be bound to register more than four persons as the joint holders of any

share or shares and, 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 for a share to one of several joint holders shall be sufficient delivery to all.

- 4.4 Where a member transfers part of the shares comprised in his holding he shall be entitled to a certificate for the balance of his holding without charge.
- 4.5 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 for such shares shall thereupon be issued in lieu without charge.
- 4.6 Notwithstanding any other Articles but subject to the Act, the Directors may from time to time determine, either generally or in any particular case, the method by which any share certificate issued by the Company in respect of the Company's shares, stocks debentures or other securities shall be authenticated or executed by or on behalf of the Company and, in particular:
- (a) the Directors may dispense with the need to affix the common seal, or any official seal, of the Company to such certificate;
 - (b) the Directors may determine the manner, and by whom, any such certificate is to be signed (which may include use of the Seal or Securities Seal), and may dispense with the need for such certificate to be signed or executed in any way; and
 - (c) the Directors may permit the signature or a facsimile of the signature of any person to be applied to such share certificate by any mechanical or electrical means in place of that person's actual signature;

and any certificate issued in accordance with the requirements of the Directors shall, as against the Company, be *prima facie* evidence of the title of the person named in that certificate to the shares comprised therein.

- 4.7 If a share certificate be defaced, damaged or worn out, or is alleged to have been lost, stolen or destroyed, it may be replaced upon the request of the holder 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 incurred by the Company in investigating evidence as the Directors think fit. In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

5 Transfers of Shares

- 5.1 Subject to the provisions of Article 7, all transfers of shares shall be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the Register of Members in respect thereof.
- 5.2 The Directors may decline to recognise any instrument of transfer, unless:
- (a) the instrument of transfer duly stamped is deposited at the Office or such other place as the Directors may appoint, accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, or, if the instrument of transfer is executed by some other person on behalf of the transferor, the authority of that person to do so:

provided that, in the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, the lodgement of a share certificate will only be necessary if a certificate has been issued in respect of the share in question;

- (b) the instrument of transfer is in respect of only one class of share; and
- (c) the instrument of transfer is in favour of not more than four transferees.

The Directors may also refuse to register a transfer if in their opinion (and with the concurrence of the Financial Services Authority) exceptional circumstances so warrant.

5.3 If the Board refuse to register a transfer they shall, within whichever is the earlier of:

- (a) the time required by the AIM Rules, or alternatively the listing rules of the United Kingdom Listing Authority from time to time; or
- (b) two months after the date on which the transfer was lodged with the Company;

send to the transferee notice of the refusal together with such other information as is required by the Act.

5.4 The registration of transfers of shares, or of any class of shares, may be suspended at such time and for such periods as the Directors may from time to time determine, provided always that the Register of Members shall not be closed for more than 30 days in any year.

5.5 No fee will be charged by the Company in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage, death, stop notice or power of attorney or other document, or any instructions, relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members relating to or affecting the title to any shares.

5.6 All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors refuse to register shall (except in any case of fraud) be returned to the person depositing the same.

5.7 The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all allotment letters at any time after the expiration of six years from the date of issue thereof and all powers of attorney, grants of probate and letters of administration at any time after the account to which any such document related had been closed and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof; and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members 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:

- (a) this Article 5.7 shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing in this Article 5.7 shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or any other liability which would not attach to the Company in the absence of this Article 5.7;
- (c) subject to the Act, any document referred to in this Article 5.7 may be destroyed before the end of the relevant period so long as a copy of such document (whether made electronically, by microfilm, by digital imaging or by any other means) has been made and is retained until the end of the relevant period; and
- (d) references herein to the destruction of any document include references to the disposal thereof in any manner.

6 Transmission of Shares

- 6.1 In the case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the legal personal representatives 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.
- 6.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law may, upon supplying to the Company such evidence as to his title as may from time to time be required by the Directors, and subject as hereinafter provided, elect either (a) by giving written notice to the Company, to be registered himself as holder of the share or (b) to transfer such share to some other person. All the limitations, restrictions and provisions of these 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 notice or transfer were a transfer executed by such member.
- 6.3 Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law shall (upon supplying to the Company such evidence as the Directors may reasonably require as to his title) be entitled to receive and may give a discharge for all benefits arising or accruing on or in respect of the share, but (subject to the Act) he shall not be entitled in respect of that share to receive notices of or to attend or vote at General Meetings of the Company or at any separate meeting of the holders of any class of shares in the Company nor, save as aforesaid, to any of the rights or privileges of a member, until he shall have become a member in respect of the share: provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if within 60 days the notice is not complied with such person shall be deemed to have elected to be registered as a member in respect thereof and shall be registered accordingly.

7 Uncertificated Shares

- 7.1 Notwithstanding any other provisions of these Articles, any shares in the Company may be issued, held, registered, converted to, transferred or otherwise dealt with in uncertificated form, and converted from uncertificated form to certificated form and *vice versa*, in accordance with the Uncertificated Securities Regulations and practices instituted by the operator of the relevant system. The provisions of these Articles shall not apply to any uncertificated shares to the extent

that such provisions are inconsistent with:

- (a) the holding of shares in uncertificated form;
- (b) the transfer of title to shares by means of a relevant system;
- (c) any provision of the Uncertificated Securities Regulations; or
- (d) any applicable provision of the Act about the holding, evidencing of title to, or transfer of shares other than in certificated form and any applicable legislation, rules or arrangements made under or by virtue of such provision.

7.2 Without prejudice to the generality and effectiveness of Article 7.1:

- (a) Articles 4, 5.1, 5.6 and 12.4(c) shall not apply to uncertificated shares and Article 5.3 shall apply in relation to such shares as if the reference therein to the date on which the transfer was lodged with the Company were a reference to the date on which the appropriate instruction was received by or on behalf of the Company in accordance with the facilities and requirements of the relevant system;
- (b) without prejudice to Article 5.2, the Board may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted or required by the Uncertificated Securities Regulations and the relevant system;
- (c) references in these Articles to a requirement on any person to execute or deliver an instrument of transfer or certificate or other document which shall not be appropriate in the case of uncertificated shares shall, in the case of uncertificated shares, be treated as references to a requirement to comply with any relevant requirements of the relevant system and any relevant arrangements or regulations which the Board may make from time to time pursuant to Article 7.2(j);
- (d) for the purposes referred to in Article 6.2, a person entitled by transmission on death or bankruptcy or otherwise by operation of law to a share in uncertificated form who elects to have some other person registered shall either:
 - (i) procure that instructions are given by means of the relevant system to effect transfer of such uncertificated share to that person; or
 - (ii) change the uncertificated share to certificated form and execute an instrument of transfer of that certificated share to that person;
- (e) the Company shall enter on the Register of Members the number of shares which are held by each member in uncertificated form and in certificated form, and shall maintain the Register of Members in the former case as is required by the Uncertificated Securities Regulations and the relevant system and, unless the Board otherwise determines, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings;
- (f) a class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these Articles or the Uncertificated Securities Regulations which applies only in respect of certificated shares or uncertificated shares;

- (g) for the purposes referred to in Article 2.10, the Board may in respect of uncertificated shares authorise some person to transfer and/or require the holder to transfer the relevant shares in accordance with the facilities and requirements of the relevant system;
- (h) for the purposes of Article 21.9, any payment in the case of uncertificated shares may be made by means of the relevant system and, without prejudice to the generality of the foregoing, such payment may be made by the sending by the Company or any person on its behalf of an instruction to the operator of the relevant system to credit the cash memorandum account of the holder or joint holders of such shares or, if permitted by the Company, of such person as the holder or joint holders may in writing direct, and for such purposes the making of a payment in accordance with the facilities and requirements of the relevant system shall be a good discharge to the Company;
- (i) subject to the Act the Board may issue shares as certificated shares or as uncertificated shares in its absolute discretion and Articles 3.1, 3.2, 21.11 and 21.14 shall be construed accordingly;
- (j) the Board may make such arrangements or regulations (if any) as it may from time to time in its absolute discretion think fit in relation to the evidencing and transfer of uncertificated shares and otherwise for the purpose of implementing and/or supplementing the provisions of this Article 7.2 and the Uncertificated Securities Regulations and the facilities and requirements of the relevant system and such arrangements and regulations (as the case may be) shall have the same effect as if set out in this Article 7;
- (k) for the purposes referred to in Articles 9.4 and 23, the Company may in respect of uncertificated shares give any notice or other document by means of the relevant system (subject always to the provisions of the Uncertificated Securities Regulations and to the facilities and requirements of the relevant system); and
- (l) the Board may resolve that a class of shares is to become a participating security and may at any time determine that a class of shares shall cease to be a participating security.

7.3 Where any class of shares in the capital of the Company is a participating security and the Company is entitled under the provisions of the Act or the rules made and practices instituted by the operator of any relevant system or under these Articles to dispose of, forfeit, enforce a lien or sell or otherwise procure the sale of any shares which are held in uncertificated form, such entitlement (to the extent permitted by the Uncertificated Securities Regulations and the rules made and practices instituted by the operator of the relevant system) shall include the right:

- (a) to request or require the deletion of any computer-based entries in the relevant system relating to the holding of such shares in uncertificated form; and/or
- (b) to require any holder of any uncertificated shares which are the subject of any exercise by the Company of any such entitlement by notice in writing to change his holding of such uncertificated shares into certificated form within such period as may be specified in the notice prior to completion of any disposal, sale or transfer of such shares, or direct the holder to take such steps, by instructions given by means of a relevant system or otherwise, as may be necessary to sell or transfer such shares; and/or

- (c) to appoint any person to take such other steps, by instruction given by means of a relevant system or otherwise, in the name of the holder of such shares as may be required to effect a transfer of such shares, and so that such steps shall be as effective as if they had been taken by the registered holder of the uncertificated shares concerned; and/or
- (d) to transfer any uncertificated shares which are the subject of any exercise by the Company of any such entitlement by entering the name of the transferee in the Register of Members in respect of that share as a transferred share; and/or
- (e) otherwise to rectify or change the Register of Members in respect of that share in such manner as may be appropriate; and/or
- (f) to take such other action as may be necessary to enable those shares to be registered in the name of the person to whom the shares have been sold or disposed of or as directed by him.

7.4 For the purposes of this Article 7:

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

8 Untraced Shareholders

8.1 The Company shall be entitled to sell at the best price reasonably obtainable therefor any share held by a member, or any share to which a person is entitled by transmission on death or bankruptcy or otherwise by operation of law, if all the following stipulations are complied with in relation thereto:

- (a) during a period of 12 years within which at least three dividend payments in respect of the shares in question have become payable, no cheque or warrant sent by the Company in the manner prescribed by these Articles has been cashed and no communication has been received by the Company from the member or person concerned;
- (b) the Company has, at the expiration of such period of 12 years, by advertisement in both a national daily newspaper and in a newspaper circulating in the area of the address at which service of notices upon such member or person may be effected in accordance with these Articles, given notice of its intention to sell such share; and
- (c) the Company has not during a further period of three months after the date of the advertisement and prior to the sale of the share received any communication from the member or person concerned.

- 8.2 To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share, and such instrument shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, such share. The Company shall be liable to account without interest to the member or other person entitled to such share for the net proceeds of such sale and shall be deemed to be his debtor and not a trustee for him in respect of the same. Subject to this, such net proceeds may be employed for the benefit of the Company and the Company shall not be liable to account to the member or other person entitled to such share for any amount earned on the net proceeds.

9 General Meetings

- 9.1 The Company shall once in each period specified by the Act hold a General Meeting as its Annual General Meeting (in addition to any other General Meetings held during that period). Subject as aforesaid and to the provisions of the Act, the Annual General Meeting shall be held at such time and place as the Directors may determine.
- 9.2 The Directors may convene General Meetings whenever they think fit, and shall on requisition in accordance with the Act proceed within 21 days of any such requisition to convene a General Meeting to be held on a date not more than 28 days after the notice convening the same.
- 9.3 Subject to the provisions of the Act, an Annual General Meeting shall be called on not less than 20 Business Days' notice and all other General Meetings shall be called by 14 days' notice at the least. The period of notice shall in each case be exclusive of the day on which it is given or deemed to be given and of the day on which the meeting is to be held: provided that a General Meeting, notwithstanding that it has been called by a shorter notice than that specified above, shall be deemed to have been duly called 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 General 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 95 per cent. in nominal amount of the shares giving that right (excluding any shares held as treasury shares);

and provided also that accidental omission to give notice (or any document intended to accompany any notice) to, or non-receipt of notice (or any document intended to accompany any notice) by, any person entitled thereto shall not invalidate the proceedings at any General Meeting.

- 9.4 Every notice calling a General Meeting shall be in writing and shall specify the place, the day and the time of meeting, and in the case of an Annual General Meeting shall specify the meeting as such. Notices shall be given as provided by these Articles to all the members, other than those who under the provisions of these Articles or the conditions of issue of the shares held by them are not entitled to receive the notice, to the Directors and to the Auditors and (where required by the Act) former auditors of the Company.
- 9.5 In every notice convening a General Meeting of the Company or a meeting of any class of its members there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting, and that a member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.

9.6 Every notice convening a General Meeting of the Company or a meeting of any class of its members shall be accompanied by a Proxy Notice (with or without provision for its return prepaid) either in blank or nominating in the alternative the chairman of the meeting or any other person or persons. Every such form of Proxy Notice shall:

- (a) provide for three-way voting on all resolutions intended to be proposed at the related meeting (except procedural resolutions); and
- (b) state that, if it is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes.

9.7 Where, by any provision contained in the Act, special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than 28 days (or such shorter period as the Act permits) before the meeting at which it is moved, and the Company shall give to the members notice of any such resolution as required by and in accordance with the provisions of the Act.

9.8 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(s) at any meeting of the Company, or at any meeting of any class of members of the Company; and such corporation shall, for the purpose of these Articles, be deemed to be present in person at such meeting if a person so authorised is present thereat. The Company may, but shall not be bound to, require any person so authorised to provide evidence of his authority.

10 Proceedings at General Meetings

10.1 The Chairman (if any) of the Board of Directors, or in his absence the Deputy or Vice-Chairman (to be chosen, if there be more than one, by agreement amongst them or, failing agreement, by order of appointment) shall preside as chairman at every General Meeting of the Company. If there be no such Chairman or Deputy or Vice-Chairman, or if at any meeting none be present within five minutes after the time appointed for holding the meeting, or if none of them be willing to act as chairman, the Directors present shall choose some Director present to be chairman. If no Director be present, or if all the Directors present decline to take the chair, the members present shall choose some member present to be chairman of the meeting.

10.2 No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as in these Articles otherwise provided, two members present in person or by proxy and entitled to vote at the meeting shall be a quorum for all purposes.

10.3 If within 15 minutes from the time appointed for a General Meeting a quorum is not present, or if during the meeting a quorum ceases to be present, the meeting, if convened on the requisition of or by members, shall be dissolved. In any other case it shall stand adjourned to such other day, 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 of the meeting may determine, and in the latter case not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the meeting shall be dissolved.

10.4 The Directors may make such arrangements as they shall in their absolute discretion consider to be appropriate to enable those attending a General Meeting to exercise their rights to speak or

vote thereat, and may from time to time vary any such arrangements or substitute new arrangements. For these purposes:

- (a) a person is able to exercise the right to speak at a General Meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting; and
- (b) a person is able to exercise the right to vote at a General Meeting when that person is able to vote, during the meeting, on resolutions put to the vote at the meeting and that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

In determining attendance at a General Meeting, it is immaterial whether any two or more persons attending it are in the same place as each other. Two or more persons who are not in the same place as each other attend a General Meeting if their circumstances are such that, if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

10.5 The chairman of any General Meeting shall take such action as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of meeting; and his decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be his determination as to whether any matter is of such nature. In particular:

- (a) he may invite any person to attend and speak whom he considers to be equipped by knowledge or experience of the Company's business to assist in the deliberations of the meeting; and
- (b) he may exclude from the meeting any member or other person who does not submit to, or fails to pass, appropriate security provisions.

10.6 The chairman of any General Meeting at which a quorum is present may, with the consent of such meeting (and shall if so directed by the meeting), adjourn the meeting from time to time (or indefinitely) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the original meeting. When a meeting is adjourned indefinitely, the time and place for the adjourned meeting shall be determined by the Directors. When a meeting is adjourned for 30 days or more or indefinitely, seven days' notice at least of the adjourned meeting shall be given in like manner as in the case of the original meeting.

10.7 The chairman of any General Meeting may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) either indefinitely or to another time or place where it appears to him that:

- (a) the members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting; or
- (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business; or
- (c) an adjournment is otherwise necessary to protect the safety of any person attending the meeting or so that the business of the meeting may be properly conducted.

10.8 Save as hereinbefore expressly provided, it shall not be necessary to give notice of an

adjournment or of the business to be transacted at an adjourned meeting.

- 10.9 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 related substantive resolution shall not be invalidated by any error in such ruling. With the consent of the chairman of the meeting, an amendment may be withdrawn by its proposer before it is voted upon. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment or to correct a patent error) may in any event be considered or voted upon.
- 10.10 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless in advance of the meeting or before, or upon the declaration of the result of, the show of hands, a poll is demanded:
- (a) by the chairman of the meeting; or
 - (b) by not less than five members having the right to vote on the resolution; or
 - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares in the Company held as treasury shares);

and the appointment of a proxy to vote on a matter at a meeting of the Company authorises the proxy to demand, or join in demanding, a poll on the matter. In applying these provisions a demand by a proxy counts for the purposes of paragraph (b) as a demand by the member and for the purposes of paragraph (c) as a demand by a member representing the voting rights that the proxy is authorised to exercise. Unless a poll be so demanded, a declaration by the chairman of the meeting 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 book containing the minutes of the proceedings of General Meetings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

- 10.11 If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting may direct (including the use of voting papers or electronic means), and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall), in the event of a poll, appoint scrutineers (who need not be members) and may fix some place and time for the purpose of declaring the result of the poll.
- 10.12 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall (whether or not - and, if so, regardless of how - he has already voted) be entitled to a casting vote.
- 10.13 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 immediately or at such subsequent time and place as the chairman of the meeting shall direct not being more than 30 days from the date of the meeting or the adjourned meeting at which the poll was demanded. No notice need be given of a poll not taken forthwith.
- 10.14 A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman; and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of

the result of a show of hands and the demand is duly withdrawn with the consent of the chairman, the meeting shall continue as if the demand had not been made. 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 has been demanded.

- 10.15 The Board may, for the purpose of controlling the level of attendance and ensuring the safety of attenders at any place specified for the holding of a General Meeting, from time to time make such arrangements as the Board shall in its absolute discretion consider to be appropriate and may from time to time vary any such arrangements or substitute new arrangements. The entitlement of any person to attend a General Meeting at such place shall be subject to any such arrangements as may be for the time being approved by the Board. In particular, the Board may, when specifying the place of the General Meeting:

- (a) direct that the meeting shall be held at a place specified in the notice at which the chairman of the meeting shall preside ("the Principal Place"); and
- (b) make arrangements for simultaneous attendance and participation at other places by persons otherwise entitled to attend the General Meeting but excluded therefrom under the provisions of this Article or who wish to attend at any of such other places, provided that persons attending at the Principal Place and at all such other places shall be able to exercise their rights to speak and vote at that meeting (or would be able to if they were to have such rights).

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

11 Votes of Members

- 11.1 Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles or the Uncertificated Securities Regulations to any class of shares:

- (a) on a show of hands every member who is present in person, and every proxy who is present and has been duly appointed by a member, shall have one vote; and
- (b) on a poll every member who is present in person or by proxy shall have one vote for every £1 in nominal amount of the shares of which he is the holder.

The First Preference Shares shall not entitle the holder (a) to vote upon any resolution (other than a resolution for winding up the Company or reducing its share capital or a resolution varying or abrogating any of the special rights attached to such shares or a resolution to sanction any matter or thing which by virtue of these Articles requires the consent or sanction of the holders of the First Preference Shares) unless at the date of the notice convening the meeting at which such resolution is to be proposed the dividend on such shares is six months in arrears (and so that for this purpose the dividend shall be deemed to be payable half-yearly on the dates and in respect of the periods hereinbefore mentioned) or (b) to attend at any General Meeting unless the business of the meeting includes the consideration of a resolution upon which such holders are entitled to vote. The "A" Limited Voting Ordinary Shares shall on a poll carry one vote for every £10 in nominal amount.

- 11.2 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.
- 11.3 Where in England or elsewhere a guardian, receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such guardian, receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.
- 11.4 No objection shall be raised 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 such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 11.5 On a poll votes may be given either personally or by proxy. On a poll a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
- 11.6 A member of the Company is entitled to appoint any person (whether a member or not) as his proxy to exercise all or any of his rights to attend and speak and vote at a meeting of the Company. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Where a member appoints more than one proxy, each such appointment shall state the whole number of shares in respect of which each proxy is to be appointed, and a proxy appointment which fails to do so may be treated as invalid by the Company. Proxies may only validly be appointed by a Proxy Notice which (whether in hard copy or electronic form):
- (a) states the name and address of the member appointing the proxy;
 - (b) identifies the person appointed to be that member's proxy and the General Meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the Board may determine; and
 - (d) is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the General Meeting to which they relate.
- 11.7 The Board may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes. Proxy Notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions. Unless a Proxy Notice indicates otherwise, it must be treated as allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting and appointing that person as a proxy in relation to any adjournment of the General Meeting to which it relates as well as the meeting itself and to vote on any poll taken or demanded at any such meeting. Unless the Board determines that some other manner of authentication will be accepted, a Proxy Notice shall be signed by the appointor or by his duly appointed attorney, or if the appointor is a corporation shall be executed either under its common seal or signed by a duly authorised officer or attorney of the corporation. The Directors may, but shall not be bound to, require evidence of the authority of such officer or attorney. The appointment of a proxy need not

be witnessed. A person who is entitled to attend, speak or vote at a General Meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered by or on behalf of that person.

11.8 Any notice of a General Meeting must specify the address or addresses ("Proxy Notification Address") at which the Company or its agents will receive Proxy Notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form. A Proxy Notice, together with (unless the Directors waive such requirement) the power of attorney or other authority (if any) under which it is signed, executed or otherwise authenticated, or a copy of such power or authority, certified notarially or in some other way approved by the Directors:

- (a) subject to paragraphs (b) and (c) below, shall be delivered to a Proxy Notification Address not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the Proxy Notice proposes to vote;
- (b) in the case of a poll taken more than 48 hours after it is demanded, may be delivered to a Proxy Notification Address not less than 24 hours before the time appointed for the taking of the poll; and
- (c) in the case of a poll not taken immediately but taken not more than 48 hours after it is demanded, may be delivered at the meeting at which the poll was demanded to the chairman of the meeting, Secretary or any Director;

and in default the Proxy Notice shall not be treated as valid. In calculating when a Proxy Notice is to be delivered no account need be taken of any part of a day that is not a Business Day (unless the notice of meeting specifies otherwise). The like time limits shall also apply to the cancellation or revocation of any such Proxy Notice. Subject to Article 11.2, where more than one Proxy Notice is delivered, deposited or received in respect of the same shares, that delivered, deposited or received latest shall prevail; if it is not clear which was delivered, deposited or received latest, none shall be valid. A Proxy Notice shall not be valid after the expiration of 12 months from the date named in it as the date of its signature, execution or other authentication, except on a poll demanded at a meeting or an adjourned meeting in cases where the original meeting was held within 12 months from such date.

11.9 A vote given in accordance with the terms of an instrument of proxy or by the duly authorised representative of a corporate member, or a poll demanded by proxy or by the duly authorised representative of a corporate member, shall be valid notwithstanding (in the case of a proxy) the previous death or mental disorder of the principal or the revocation of the instrument of proxy or of the authority under which the instrument of proxy was signed, executed or otherwise authenticated or (in the case of a duly authorised representative of a corporate member) the revocation of his appointment, unless evidence in writing of such death, mental disorder or revocation shall have been delivered in accordance with the procedures and within the time limits for the delivery of Proxy Notices set out in Article 11.7.

12 Disclosure of Interests

12.1 Section 793 of the 2006 Act ("Section 793") and Sections 820 through 825 of the 2006 Act shall be deemed to be incorporated into these Articles and accordingly to apply as between the Company and each member. If a notice is given under Section 793 ("a Section 793 Notice") to a person appearing to be interested in any shares, a copy shall at the same time be given to the holder of those shares but the accidental omission to do so or the non-receipt by the member shall not prejudice the operation of the provisions of this Article 12. The provisions of this Article 12 shall be without prejudice to the provisions of Section 794 of the 2006 Act, and in particular the Company

shall be entitled to apply to the court under Section 794(1) whether or not these provisions apply or have been applied.

12.2 If a member or any person appearing to be interested in any shares held by a member has been duly served with a Section 793 Notice and is in default for the relevant period (as defined in Article 12.8) from such service in supplying to the Company the information thereby required, the provisions of Articles 12.3 and 12.4 shall apply. The restrictions imposed by those paragraphs in relation to any shares shall continue until a relevant event occurs in relation to those shares and shall lapse when it does so. For this purpose, a "relevant event" is either of the following:

- (a) due compliance, to the satisfaction of the Company, with the Section 793 Notice; or
- (b) receipt by the Company of notice that the shareholding has been sold to an unconnected third party pursuant to an arm's-length transfer (as defined in Article 12.6).

Any dividends withheld pursuant to Article 12.4 shall be paid to the member as soon as practicable after the restrictions contained in that Article lapse.

12.3 If the member has a holding of less than 0.25 per cent. of any class of shares, then, subject to Article 12.5 and unless the Directors otherwise determine, the member shall not be entitled in respect of the shares referred to in the Section 793 Notice to attend or vote at a General Meeting either personally or by proxy.

12.4 If the member has a holding of at least 0.25 per cent. of any class of shares, then, subject to Article 12.5 and unless the Directors otherwise determine, the member shall not be entitled in respect of the shares concerned:

- (a) to attend or vote at a General Meeting either personally or by proxy, or to exercise any other right conferred by membership in relation to meetings of the Company; or
- (b) to receive any dividend (including shares issued in lieu of dividend) in respect of such shares; or
- (c) to transfer or agree to transfer any of such shares, or any rights therein.

12.5 The restrictions in Articles 12.3 and 12.4 shall be without prejudice to the right of either the member holding the shares concerned or, if different, the beneficial owner of those shares to effect or agree to sell those shares to a *bona fide* unconnected third party by way of an arm's-length transfer.

12.6 For the purposes of this Article 12, an "arm's-length transfer" in relation to any shares shall include a transfer pursuant to:

- (a) a sale of those shares on a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or on any stock exchange outside the United Kingdom on which the shares are normally traded; or
- (b) an offer made to all the holders (or all the holders other than the person making the offer and his nominees) of the shares in the Company to acquire those shares or a specified proportion of them, or to all the holders (or all the holders other than the person making the offer and his nominees) of a particular class of those shares to acquire the shares of that class or a specified proportion of them.

12.7 For the purposes of this Article 12, the Company shall be entitled to treat any person as appearing to be interested in any shares if:

- (a) the member holding such shares or any person who is or may be interested in such shares either fails to respond to a Section 793 Notice (or has given to the Company a notification pursuant to a Section 793 Notice which in the opinion of the Directors fails to establish the identities of those interested in the shares) and if (after taking into account such notification and any other relevant notification pursuant to a Section 793 Notice) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares; or
- (b) that person (not being the member) is interested in those shares for the purposes of Part 22 of the 2006 Act.

12.8 For the purposes of this Article 12, the "relevant period" shall be, in a case falling within Article 12.3, 28 days and, in a case falling within Article 12.4, 14 days.

13 Directors

13.1 Subject as hereinafter provided, the Directors shall be not less than three in number. The Company may by Ordinary Resolution from time to time vary the minimum number and may also determine and from time to time vary a maximum number of Directors.

13.2 A Director shall not be required to hold shares in the Company but nevertheless shall be entitled to attend and speak at any General Meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.

13.3 The aggregate ordinary remuneration of the Directors shall not exceed £100,000 per annum (or such higher sum as may from time to time be determined by an Ordinary Resolution) and shall be divided between the Directors as they may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he held office. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or in attending and returning from meetings of the Directors or of committees of the Directors or General Meetings or separate meetings of the holders of any class of shares or debentures of the Company or otherwise in connection with the discharge of their duties.

13.4 Any Director who serves on any committee or who devotes special attention to the business of the Company, 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, lump sum, percentage of profits or otherwise as the Directors may determine.

14 Directors: Appointment and Retirement

14.1 Subject to the provisions of these Articles, at the Annual General Meeting in every year one-third of the Directors for the time being (excluding any retiring by reason of Article 14.6) or, if their number is not three or an integral multiple of three, the number nearest to but not exceeding one-third, shall retire from office by rotation, provided that:

- (a) if in any year the number of Directors shall be two (excluding any retiring by reason of Article 14.6), one of such Directors shall retire; and
- (b) if in any year there shall be only one Director, that Director shall retire.

A Director retiring at a meeting as aforesaid shall, if he is not re-appointed, remain in office until the meeting appoints someone in his place or, if it does not do so, until the end of that meeting.

- 14.2 Subject to the provisions of the Act and of these Articles, the Directors to retire by rotation in every year shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those Directors who have been longest in office since their appointment or last election but as between persons who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. In addition, any Director who as at the date of the relevant Annual General Meeting has been in office for more than three years since his appointment or last election or who was elected or last elected at the Annual General Meeting preceding by three years the relevant Annual General Meeting, and who in either case is not otherwise to retire by reason of Articles 14.1 and 14.2, shall also retire by rotation. Subject as aforesaid, a retiring Director shall be eligible for re-appointment.
- 14.3 The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by appointing a person thereto, and in default the retiring Director, if willing to act, shall be deemed to have been re-appointed, unless at such meeting it is expressly resolved not to fill the vacancy, or a resolution for the re-appointment of such Director shall have been put to the meeting and lost, or such Director shall have given notice in writing to the Company that he is unwilling to be re-elected, or where the default is due to the moving of a resolution in contravention of Article 14.5.
- 14.4 No person other than a Director retiring at the meeting shall, unless recommended by the Directors for appointment, be eligible for appointment to the office of Director at any General Meeting unless, not less than seven nor more than 42 days (inclusive of the date on which the notice is given) before the day appointed for the meeting, there shall have been given to the Company notice in writing 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 appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of Directors, and also notice in writing signed by the person to be proposed of his willingness to be appointed.
- 14.5 At a General Meeting a motion for the appointment of two or more persons as Directors by a single resolution shall not be proposed unless a resolution that it shall be so proposed has been first agreed to by the meeting without any vote being given against it, and for the purposes of this Article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.
- 14.6 The Directors shall have power at any time, and from time to time, to appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed any maximum number determined by or in accordance with these Articles. Subject to the provisions of the Act and of these Articles, any Director so appointed shall hold office only until the conclusion of the next following General Meeting, and shall be eligible for election at that meeting. Any Director who retires under this Article shall not be taken into account in determining the Directors who are to retire by rotation at

such meeting and, if not re-appointed at such General Meeting, he shall vacate office at the conclusion thereof.

14.7 Subject to the provisions of Article 14.6, the Company may at any time, and from time to time, by Ordinary Resolution appoint any person who is willing to act to be a Director either to fill a vacancy or as an additional Director and, without prejudice to the provisions of the Act, may by Ordinary Resolution remove a Director (including a Director holding executive office) before the expiration of his period of office, but so that such removal shall be without prejudice to any claim such Director may have for breach of any contract of service between him and the Company.

14.8 The office of a Director shall be vacated in any of the following events, namely:

- (a) if (but in the case of a Director holding any executive office subject to the terms of any contract of service between him and the Company) he resigns his office in writing signed by the resigning Director or otherwise authenticated in such manner as the other Directors may accept or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;
- (b) if he becomes bankrupt or has a receiving order made against him or makes any arrangement or composition with his creditors generally in satisfaction of his debts or applies to the Court for an interim order under Section 253 of the Insolvency Act 1986;
- (c) if, in the opinion of the majority of Directors other than the Director concerned and in the written opinion of a registered medical practitioner, he becomes of unsound mind;
- (d) if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the grounds (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
- (e) if he is absent from meetings of the Directors for six successive months without leave, and the Directors resolve that his office be vacated;
- (f) if he shall be removed from office by notice in writing served upon him signed by all his co-Directors, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company; or
- (g) if he ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a Director.

15 Directors: Executive Office

15.1 The Directors may from time to time appoint any one or more of their body to be holder of any executive office for such period (subject to the provisions of the Act) and on such terms and with or without such title or titles (including but not limited to Chairman, Deputy Chairman, Vice-Chairman, Managing Director, Chief Executive and Joint, Deputy or Assistant Managing Director or Chief Executive) as they think fit. The Directors may also at any time remove such person from any such office.

- 15.2 A Director appointed to any such office shall receive such remuneration (whether by way of salary, commission, participation in profits, provision for retirement or insurance benefit, or partly in one way and partly in another, or otherwise) as the Directors may determine.
- 15.3 The appointment of any Director to the office of Chairman or Deputy or Vice-Chairman or Managing Director or Chief Executive or Joint Managing or Deputy or Assistant Managing Director or Chief Executive shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- 15.4 The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly so state; such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- 15.5 The Directors may entrust to and confer upon any Director appointed to any such 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.
- 15.6 Subject to the provisions of the Act, the Directors may from time to time, and at any time, pursuant to this Article appoint any other persons to any post with such descriptive title including that of director (whether as executive, group, divisional, departmental, deputy, assistant, local, advisory director or otherwise) as the Directors may determine and may define, limit vary and restrict the powers, authorities and discretions of persons so appointed and may determine their remuneration and duties, and subject to any contract between him and the Company may remove from such post any person so appointed. A person so appointed shall not be a Director of the Company for any of the purposes of these Articles or of the Act, and accordingly shall not be a member of the Board of Directors, nor shall he be entitled to be present at any meeting of the Board except at the request of the Board and if present at such request he shall not be entitled to vote thereat.
- 16 Directors: Proceedings**
- 16.1 Subject to the provisions of these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall (whether or not - and, if so, regardless of how - he has already voted) be entitled to a casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice of a meeting of the Directors need not be given to a Director who has waived his entitlement to notice of that meeting; and such waiver may be given after the meeting has been held. Where such waiver is given after the meeting has been held, that does not affect of the validity of the meeting, or of any business conducted at it. Directors are to be treated as having waived their entitlement to notice of a meeting if they have not supplied the Company with the information necessary to ensure that they receive the notice before the meeting takes place.
- 16.2 A Director who is unable to attend any meeting of the Directors may authorise any other Director to vote for him at the meeting, and in that event the Director so authorised shall have a vote for each Director by whom he is so authorised in addition to his own vote. Any such authority must be in writing signed by the authorising Director or otherwise authenticated in such manner as the other Directors may accept.

- 16.3 The quorum necessary for the transaction of the business of the Directors may be determined from time to time by the Directors, and unless so determined at any other number shall be two. Any Director who attends a meeting of Directors by telephone or other conference facility shall be deemed to be personally present at such meeting for all the purposes of these Articles and shall be counted in the quorum accordingly. Such a meeting shall be deemed to take place where the largest group of Directors participating is assembled or, if there is no such group, where the chairman of the meeting is. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
- 16.4 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their body, but if and so long as the number of Directors is reduced below the minimum number determined by or in accordance with these Articles, or below the number determined by or pursuant to these Articles as the quorum of Directors, the continuing Directors or Director may act for the purpose of filling such vacancies in their body or of summoning General Meetings of the Company, but not for any other purpose. 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.
- 16.5 The Directors may, from their number, from time to time elect and remove a Chairman and, if thought fit, one or more Deputy Chairmen or Vice-Chairmen and determine the period for which they are to hold office. The Chairman, or in his absence the Deputy Chairman (to be chosen, if there be more than one, by agreement amongst themselves or, failing agreement, by lot), or in the absence of any Deputy Chairman the Vice-Chairman (to be chosen, if there be more than one, as aforesaid), shall preside at all meetings of the Directors, but if no such Chairman, Deputy Chairman or Vice-Chairman be elected, or if at any meeting neither the Chairman nor any Deputy Chairman or Vice-Chairman be willing to preside or none of them be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
- 16.6 A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of Directors or of a committee of Directors, shall be as effective as a resolution passed at a meeting of the Directors or (as the case may be) a committee of Directors duly convened and held. For these purposes a resolution may be in hard copy form or electronic form sent to such address (if any) for the time being notified by the Company for that purpose and may consist of several copies in hard copy form or electronic form, each signed by one or more Directors, or a combination of both.
- 16.7 The Directors may delegate any of their powers or discretions to one or more committees, provided that more than one half of the members of each such committee shall consist of Directors. To the extent that any power or discretion is delegated to a committee, any reference in these Articles to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to its exercise by such committee. Any committee so formed shall in the exercise of the powers so delegated conform with any regulations which may from time to time be imposed by the Directors. The meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations imposed by the Directors under this Article, provided that no resolution of any such committee shall be effective unless a majority of the members of the committee present are Directors.

- 16.8 All acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director or as a member of any such committee, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed, and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.
- 17 Directors' Interests**
- 17.1 Subject to the provisions of the Act, a Director, notwithstanding his office:
- (a) may be a party to, or otherwise interested in, any contract, transaction, arrangement or proposal with the Company or in which the Company is otherwise interested;
 - (b) may be a director or other officer of, or employed by, or a party to any contract, transaction, arrangement or proposal with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
 - (c) may act by himself or his firm in a professional capacity (other than that of auditor) for the Company or any other body corporate promoted by the Company or in which the Company is otherwise interested.
- 17.2 If a situation (a "Relevant Situation") arises in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (other than a conflict of interest arising in relation to a transaction or arrangement with the Company or a situation which cannot reasonably be regarded as likely to give rise to a conflict of interest), the following provisions shall apply:
- (a) if the Relevant Situation arises from the appointment or proposed appointment of a person as a director of the Company, the Directors (other than the Director, and any other Director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the appointment of the director and the Relevant Situation on such terms as they may determine; and
 - (b) if the Relevant Situation arises in circumstances other than in Article 17.2(a), the Directors (other than the Director, and any other Director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the Relevant Situation and the continuing performance by the Director of his duties on such terms as they may determine
- 17.3 Any reference in Article 17.2 to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 17.4 Any terms determined by the Directors under Article 17.2 may be imposed at the time of authorisation or may be imposed or varied subsequently and may include (without limitation):
- (a) subject always to these Articles, whether the interested Director(s) may vote (or be counted in the quorum at a meeting) in respect of any resolution relating to the subject matter of the Relevant Situation;
 - (b) the exclusion by the Company of the interested Director(s) from all information and discussion by the Directors or within the Company or any subsidiary undertaking of the Company in respect of the subject matter of the Relevant Situation; and

- (c) without prejudice to any other obligations of confidentiality, the application to the interested Director(s) of a strict duty of confidentiality to the Company in respect of any confidential information of the Company or any subsidiary undertaking of the Company in relation to the subject matter of the Relevant Situation.
- 17.5 An interested director must act in accordance with any terms determined by the Directors under Article 17.2.
- 17.6 Except as specified in Article 17.2, any proposal made to the Directors and any authorisation by the Directors in relation to a Relevant Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the Directors in accordance with the provisions of these Articles.
- 17.7 Any authorisation of a Relevant Situation given by the Directors under Article 17.2 may provide that, where the interested Director obtains (other than through his position as a Director) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.
- 17.8 A Director shall not, by reason of his holding an office as a Director (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from:
- (a) any interest permitted under Article 17.1; or
- (b) any Relevant Situation authorised under Article 17.2;
- and no contract, transaction, arrangement or proposal shall be liable to be avoided on the grounds of any Director having any type of interest permitted under Article 17.1 or authorised under Article 17.2.
- 17.9 If a Relevant Situation within Article 17.2 arises in respect of a Director, he shall notify the other directors immediately he becomes aware of the situation. Any such notification may be made at a meeting of the Directors or by notice in writing to the Directors.
- 17.10 If a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he must declare the nature and extent of that interest to the other directors in accordance with the Act.
- 17.11 Where a Director is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company, he must declare the nature and extent of his interest to the other directors in accordance with the Act, unless that interest has been declared under Article 17.10.
- 17.12 Save as herein expressly provided, a Director shall not vote on or in respect of any contract or arrangement or any other proposal in which he has any interest which is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities or rights of or otherwise in or through the Company. However, subject to the provisions of the Act and these Articles, a Director shall be entitled to vote in respect of any contract or arrangement or any other proposal in which he has any interest which is not material. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

- 17.13 Subject to the provisions of the Act and these Articles, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of a resolution relating to any of the following matters, namely:
- (a) the giving of any security, guarantee or indemnity in respect of:
 - (i) money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or
 - (ii) 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;
 - (b) any proposal whereby the Company or any of its subsidiary undertakings is to offer securities under an offer in which 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;
 - (c) any proposal relating to any other body corporate in which he does not to his knowledge own a beneficial interest in shares (as that expression is defined in Part 22 of the 2006 Act) representing one per cent or more of issued shares of any any class of the equity share capital of such body corporate or the voting rights in such body corporate;
 - (d) any proposal relating to an arrangement for the benefit of 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; and
 - (e) any proposal concerning (i) insurance which the Company proposes to maintain or purchase for the benefit of, or of persons including, Directors of the Company (ii) indemnities in favour of Directors (iii) the funding of expenditure by one or more Directors on defending proceedings against such Director or Directors or (iv) doing anything to enable such Director or Directors to avoid incurring such expenditure.
- 17.14 Where proposals are under consideration concerning the appointment (including determining or varying the terms 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 shall, if not otherwise debarred from voting under these Articles, be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 17.15 If any question shall arise at any time as to the 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 (subject to the Act) be referred to the chairman of the meeting (or, where such question shall arise concerning such chairman, to such other Director present at the meeting as the Directors present, other than such chairman, shall by majority vote appoint) and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned has not been fairly disclosed.
- 17.16 For the purposes of this Article 17:
- (a) the interest of any person who is connected with a Director (within the meaning of Section 252 of the 2006 Act) shall be taken to be the interest of that Director;

- (b) 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 contract, 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 contract, transaction or arrangement of the nature and extent so specified; and
 - (c) an interest (whether of his or of such a connected person) 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.
- 17.17 Subject to the provisions of the Act, the Company may by Ordinary Resolution suspend or relax the provisions of this Article to any extent either generally or in respect of any particular matter, or ratify any transaction, arrangement or proposal not duly authorised by reason of a contravention of these Articles.
- 17.18 The Directors may establish, maintain, participate in or contribute to, or procure the establishment and maintenance of, participation in or contribution to, any pension, annuity, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of the Company, or of any of its predecessors in business, or of any undertaking which is a subsidiary undertaking of the Company or is allied to or associated with the Company, or who may be or have been Directors or officers of the Company, or of any such other undertaking as aforesaid, and the spouses or civil partners, widows or widowers or surviving civil partners, families and dependants of any such persons (together "Relevant Persons"), and also establish, subsidise and subscribe to any institutions, associations, societies, clubs, trusts or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other undertaking as aforesaid, or of any Relevant Persons, and make payments for or towards the insurance of any such persons as aforesaid, and (subject to the provisions of the Act) establish and contribute to any scheme for the acquisition of shares in the Company or its holding company (whether or not an employees' share scheme) and (subject to the provisions of the Act) lend money to the Company's employees to enable them to acquire such shares, and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and do any of the matters aforesaid either alone or in conjunction with others. Subject always, if the Act shall so require, to particulars with respect to the proposed payment being disclosed to the members of the Company and to the proposal being approved by Ordinary Resolution, any Director shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance, benefit or emolument.
- 17.19 Subject to the 2006 Act, the powers conferred by Article 17.18 may be exercised by resolution of the Directors, and shall include (if they would not otherwise do so) power to make provision for the benefit of any Relevant Persons in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or of any subsidiary undertaking of the Company or of any undertaking which is allied to or associated with the Company, or with any such subsidiary undertaking.
- 18 Directors: General Powers**
- 18.1 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 Act or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the

Act, and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Company by Special Resolution; but no regulation made by the Company by Special Resolution shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given to the Directors by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

- 18.2 The Directors may establish any local 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 boards, or any managers or agents, and may define their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local board, 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.
- 18.3 The Directors may from time to time, and at any time, appoint any corporation, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles or the Act), for such period and subject to such conditions as they may think fit, and any such appointment may contain such provisions for the protection and convenience of persons dealing with any such appointee as the Directors may think fit, and may also authorise any such appointee to sub-delegate all or any of the powers, authorities and discretions vested in him.
- 18.4 To the extent permitted by the Act, the Company may cause to be kept in any territory a branch Register of Members resident therein, and the Directors may (subject to the provisions of the Act) make and vary such regulations as they think fit as regards the keeping of any such register.
- 18.5 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, executed or otherwise authenticated, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

19 Directors: Borrowing Powers

- 19.1 Subject as hereinafter provided the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertakings, 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.
- 19.2 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control or influence exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so far, as regards the subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all monies 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 and also such consent or sanction on the part of the holders of the First Preference Shares as is required

for a variation of the special rights attached to such shares exceed an amount equal to the Adjusted Capital and Reserves.

19.3 For the purposes of the foregoing limit the following provisions shall apply:

- (a) there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed monies of the relevant member of the Group (to the extent that the same would not otherwise fall to be taken into account):
 - (i) the principal amount of all debentures of any member of the Group which are not for the time being beneficially owned within the Group;
 - (ii) the outstanding amount of the 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 of accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
 - (iii) 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;
 - (iv) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed monies (not being shares or debentures which or borrowed monies the indebtedness in respect of which is for the time being beneficially owned within the Group) the redemption or repayment whereof is guaranteed or wholly or partly secured by any member of the Group; and
 - (v) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed monies falling to be taken into account;
- (b) monies borrowed by any member of the Group for the purpose of repaying or redeeming (with or without premium) or whole or in part any other borrowed monies falling to be taken into account and intended to be applied for such purposes within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account;
- (c) any amounts borrowed by any member of the Group from bankers or others for the purposes 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 monies;
- (d) monies 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 monies 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: and for the purposes aforesaid "minority proportion" shall mean the proportion of the issued equity share capital of the partly-

owned subsidiary which is not attributable to the Company; and

- (e) borrowed monies of any member of the Group expressed in or calculated by reference to a currency other than sterling shall be converted into sterling by reference to the rate of exchange used for the conversion of such currency in the latest audited balance sheet of the relevant member of the Group or, if the relevant currency was not thereby involved, by reference to the rate of exchange or approximate rate of exchange ruling on such date and determined on such basis as the Auditors may determine or approve.

- 19.4 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.

20 Administrative Provisions

- 20.1 The Directors shall cause minutes to be made:

- (a) of all appointments of officers made by the Directors;
- (b) of the names of the Directors present at each meeting of Directors and of any committee of Directors; and
- (c) of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees of Directors.

All such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings took place, or by the chairman of the next following meeting, shall be evidence of the proceedings.

- 20.2 Subject as required by the Act, any register, index, minute book or accounting records required by these Articles or by law to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against, and for facilitating the discovery of, falsification.

- 20.3 Subject to the Act the Secretary (or, if thought fit, Joint Secretaries) of the Company shall be appointed by the Directors on such terms and for such period as they may think fit, and the Directors may also appoint one or more assistant or deputy Secretaries. Any Secretary or assistant or deputy Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

- 20.4 Anything required or authorised by the Act to be done by or to the Secretary of the Company may, if the office is vacant or such Secretary is absent or there is for any other reason no such secretary capable of acting, be done by or to any assistant or deputy Secretary or, if there is no assistant or deputy Secretary, or if such assistant or deputy Secretary is absent or for any other reason not capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors: provided that any provision of the Act or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

- 20.5 The Directors shall provide for the safe custody of the Seal and the Securities Seal and neither shall be used except by the authority of a resolution of the Directors or of a committee of the Directors authorised in that behalf by the Directors. The Directors may from time to time make such regulations as they see fit (subject to the provisions of these Articles in relation to share and debenture certificates) determining the persons and the number of such persons who shall sign every instrument to which the Seal or the Securities Seal is affixed, and until otherwise so determined (and subject as aforesaid) every such instrument shall be signed by one Director and shall be countersigned by the Secretary or by a second Director.
- 20.6 The Company may have an official seal for use abroad under the provisions of the Act where and as the Directors shall determine, and the Company may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as shall be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, so far as may be applicable, be deemed to include any such official seal as aforesaid.
- 20.7 The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed. For the purposes of these Articles references to a document being sealed with the Securities Seal or to the Securities Seal being affixed to a document include the reproduction of the image of that seal on or in a document by any mechanical or electronic means which has been approved by the Directors for such purposes and in relation to that document or documents of a class to which it belongs.
- 20.8 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 of the Directors, 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 deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or a copy of or an extract from the minutes of a meeting of the Company or of the Directors or any committee of the Directors, which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such copy or extract is a true and accurate record of proceedings at a duly constituted meeting.

21 Reserves, Dividends and Capitalisation

- 21.1 The Directors may from time to time before recommending any dividend, whether preferential or otherwise, set aside out of the profits of the Company (including any premiums received upon the issue of debentures or other securities or rights of the Company), and carry to reserve, such sums as they think proper as a reserve or reserves. Such sums shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may properly be applied and, pending such application, may at the like discretion either be employed in the business of the Company or be invested in such investments (including, but subject to the provisions of the Act, the shares of the Company or its holding company, if any) as the Directors may from time to time think fit. 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 which they may think it prudent not to divide.

- 21.2 The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in General Meeting may declare dividends accordingly, but no dividend shall exceed the amount recommended by the Directors. No dividends shall be payable otherwise than in accordance with the Act and out of the profits of the Company available for that purpose.
- 21.3 Subject to the rights of holders, if any, of shares with special rights as to dividends, all dividends shall be declared and paid *pro rata* to the nominal amounts of the shares in respect whereof the dividend is paid, except that, if any share is issued on terms providing that it shall carry any particular rights as to dividend, such share shall rank for dividend accordingly.
- 21.4 If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may 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 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.
- 21.5 Subject to the provisions of the Act or as otherwise required by law, where any asset, business or property is bought by the Company as from a past date, whether such date be before or after the incorporation of the Company, 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.
- 21.6 The Company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed (or if, following one such failure of encashment, reasonable enquiries have failed to establish any new address of the holder of the related shares or, in the case of joint holders, of any of them) but, subject to the provisions of these Articles, shall recommence sending cheques or warrants in respect of dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.
- 21.7 The Directors may retain the dividends payable upon shares in respect of which any person is, under the provisions in these Articles as to the transmission of shares, 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.
- 21.8 All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the payment of any such dividend into a separate account or the investment of such dividend shall not constitute the Company a trustee in respect thereof. No dividend or other moneys payable in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the share. Any dividend which has remained unclaimed for a period of 12 years from its due date of payment shall at the expiration of that period be forfeited and cease to remain owing by the Company and shall thenceforth belong to the Company absolutely.

- 21.9 Any dividend or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first on the register in respect of the shares, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder(s) otherwise direct, be made payable to the registered holder or, in the case of joint holders, to the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders (as the case may be) may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable in respect of the shares held by such joint holders.
- 21.10 If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.
- 21.11 A General Meeting declaring a dividend on shares of any class may, upon the recommendation of the Directors, direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares, debentures or other securities or rights of any other company, and the Directors shall give effect to such resolution. Where any difficulty arises in regard to the distribution the Directors may settle the same as they think expedient, and in particular (a) may issue fractional certificates (b) may determine the value for distribution of such specific assets or any part thereof (c) may resolve that cash payments shall be made to any members upon the basis of the value so determined in order to adjust the rights of members (d) may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors and (e) generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates or any part thereof and otherwise as they think fit.
- 21.12 Any waiver in whole or in part of any dividend on any share by any document (whether or not executed as a deed) shall be effective only if made in writing, signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) or otherwise authenticated in such manner as the Directors may accept and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
- 21.13 Any resolution for the declaration or payment of a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares as at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights as between transferors and transferees of any such shares in respect of such dividend.
- 21.14 The Directors may, with the sanction of an Ordinary Resolution, 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 the profit and loss account by appropriating such sums to the holders of Ordinary Share Capital on the Register of Members 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 Share Capital and applying such sum on their behalf in paying up in full unissued Ordinary Share Capital (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 to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on such basis (including provisions whereby fractional entitlements are disregarded or rounded up 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.

- 21.15 The Directors may offer to holders of Ordinary Shares and "A" Limited Voting Ordinary Shares (together in Articles 21.16 to 21.20 inclusive "Eligible Shares") the right to receive, in the place of a dividend (or part of a dividend), an allotment of new "A" Limited Voting Ordinary Shares (in Articles 21.16 to 21.20 inclusive "New Shares") credited as fully paid, and the provisions of Articles 21.16 to 21.20 inclusive shall apply to any such offer. Article 21.14 shall apply *mutatis mutandis* to any capitalisation made pursuant to such Articles.
- 21.16 The Directors shall not make an offer pursuant to Article 21.15 unless so authorised by an Ordinary Resolution passed at any General Meeting, which authority may extend to dividends declared or paid prior to the next Annual General Meeting of the Company occurring after such General Meeting, but no further. The Directors may either offer such rights of election in respect of the next dividend (or part of such dividend) proposed to be paid; or may offer such rights of election in respect of that dividend and all subsequent dividends, until such time as the election is revoked; or may allow shareholders to make an election in either form. The basis of allotment on each occasion shall be determined by the Directors so that, as nearly as may be considered convenient, the value of the New Shares to be allotted in the place of any amount of dividend shall equal such amount. For such purpose the value of a New Share shall be the closing middle market quotation of an "A" Limited Voting Ordinary Share as derived from the AIM appendix to the Daily Official List of the London Stock Exchange.
- 21.17 If the Directors determine to offer such right of election on any occasion they shall give notice in writing to the holders of Eligible Shares of such right and shall issue forms of election and shall specify the procedures to be followed in order to exercise such right, provided that they need not give such notice to a shareholder who has previously made, and has not revoked, an earlier election to receive New Shares in lieu of all future dividends, but instead shall send such shareholder a reminder that such shareholder has made such an election, indicating how that election may be revoked in time for the next dividend proposed to be paid.
- 21.18 On each occasion the Directors determine to offer such right of election, the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on Eligible Shares in respect of which the share election has been duly exercised and has not been revoked (the "elected Eligible Shares"), and in place of the dividend (or that part of the dividend in respect of which the right of election has been accorded) New Shares (but not any fraction of a share) shall be allotted to the holders of the elected Eligible Shares on the basis of allotment set out in Article 21.16. 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 profit and loss account as the Directors may determine, a sum equal to the aggregate nominal amount of the New Shares to be allotted on that occasion on such basis and shall apply

the same in paying up in full the appropriate number of New Shares for allotment and distribution to and amongst the holders of the elected Eligible Shares on such basis. The New Shares so allotted on any occasion shall rank *pari passu* in all respects with the fully-paid "A" Limited Voting Ordinary Shares in issue on the record date for the relevant dividend save only as regards participation in the relevant dividend. No fraction of a New Share shall be allotted. The Directors may make such provision as they think fit for any fractional entitlements including, without limitation, provision whereby, in whole or in part, the benefit accrues to the Company and/or fractional entitlements are accrued and/or retained and in either case accumulated on behalf of any holder of Eligible Shares.

- 21.19 The Directors may on any occasion determine that rights of election in respect of an offer pursuant to Article 21.15 shall not be made available to any holders of Eligible Shares with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of rights of election would or might be unlawful, and in such event the provisions of Articles 21.15 to 21.18 inclusive shall be read and construed subject to such determination.
- 21.20 In relation to any particular proposed dividend the Directors may in their absolute discretion decide (a) that shareholders shall not be entitled to make any election in respect of such dividend and that any election previously made shall not extend to such dividend or (b) at any time prior to the allotment of the New Shares which would otherwise be allotted in place of a dividend, that all elections to take shares instead of such dividend shall be treated as not applying to that dividend, and if so the dividend shall be paid in cash as if no elections had been made in respect thereof.

22 Accounts and Auditors

- 22.1 The Directors shall cause accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Act to be kept and preserved in accordance with the Act. The accounting records shall be kept at the Office, or (subject to the provisions of the Act) at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. No member, as such, or any other person, shall have any right of inspecting any account or 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 the Company in General Meeting.
- 22.2 The Directors shall from time to time, in accordance with the provisions of the Act, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are specified in the Act.
- 22.3 A copy of every balance sheet and profit and loss account (including every document required by law to be comprised therein or annexed thereto) which is to be laid before the Company in General Meeting and of the Directors' and Auditors' reports shall not less than 21 days before the date of the meeting be sent to every member and to every holder of debentures of the Company and to every other person who is entitled to receive notices of General Meetings from the Company under the provisions of the Act or these Articles provided that:
- (a) this Article shall not require copies of such documents to be sent to any person to whom, by virtue of the Act, the Company is not required to send such documents; and
 - (b) instead of such documents there may be sent a copy of such summary financial statement as may be permitted, in such form as may be specified and subject to such conditions as may be required, by law to be sent to the members of, and holders of debentures of, the Company;

and, to the extent permitted by the Act and these Articles, any such document may instead be made available to such persons in electronic form.

- 22.4 Auditors shall be appointed and their duties, powers, rights and remuneration regulated in accordance with the provisions of the Act. Subject to the provisions of the Act, 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 was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently becomes disqualified.
- 22.5 The Auditors shall be entitled to attend any General Meeting and to receive 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 them as Auditors.

23 Notices and Communications

- 23.1 Any notice or other document to be sent or supplied to or by the Company pursuant to the Articles (other than a notice calling a meeting of the Directors) shall be in writing. Any such notice or other document may be sent or supplied in any way in which the 2006 Act provides for documents or information to be sent or supplied by or to the Company for the purposes of the 2006 Act, including, in the case of notices and other documents supplied by the Company, by means of a website. If a notice or document is sent by the Company by post, first-class mail must (where available) be used in the case of an address within the United Kingdom, and airmail in any other case.
- 23.2 Any notice or other document sent to a member under these Articles may be sent in hard copy form to that member's address as registered in the register of members, unless the member and the Company have agreed that another method of communication is to be used and the member has supplied the Company with the information that it needs in order to be able to use that other means of communication. Notwithstanding any other provisions of these Articles, the Company shall retain the discretion to send notices or other documents in hard copy form to the recipient's registered address or postal address supplied to the Company for the service of notices. Anything sent to a Director under these Articles may be sent to that Director's residential address as registered in the register of Directors, unless the Director and the Company have agreed that another method of communication is to be used and the Director has supplied the Company with the information that it needs in order to be able to use that other means of communication.
- 23.3 Any member whose postal address as registered in the register of members is not within the EU, and who gives the Company a postal address within the EU at which notices or other documents in hard copy form may be sent to him, shall be entitled to have notices or other documents in hard copy form sent to him at such address, but otherwise no member other than a member with a postal address in the EU shall be entitled to receive any notice or other documents from the Company in hard copy form.
- 23.4 If on two consecutive occasions notices or other documents have been sent through the post to any member at his registered address or his address for the service of notices but have been returned undelivered, such member shall not thereafter be entitled to receive notices or other documents in hard copy form from the Company until he shall have communicated with the Company and supplied in writing to the Company a new address within the EU for the service of notices in hard copy form. If a notice or other document is sent by the Company to a member in electronic form at the address supplied by that member for the purpose and within three hours the Company receives a message in reply to the effect that the delivery of such notice or other

document has failed then, without prejudice to Article 23.8(d), the Company shall, subject to Article 23.3, send a copy of the notice or document in hard copy form to the member's postal address as registered in the Register of Members (or the postal address supplied by him to the Company for the service of notices in hard copy form) in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators.

- 23.5 In the case of joint holders of a share, all notices and other documents shall be sent or supplied to the joint holder whose name stands first in the Register of Members in respect of the joint holding: provided that, where the first-named joint holder has no registered postal address within the EU and has not supplied a postal address within the EU for the service of notices, or agreed with the Company that another method of communication is to be used and supplied the Company with the information that it needs in order to be able to use that other means of communication, the Company may send or supply the notice or other document to another joint holder who has, or has supplied, such an address or made such an agreement with the Company. Notices and other documents so sent or supplied shall be deemed for all purposes sent or supplied to all joint holders. Anything which needs to be agreed or specified by the joint holders of a share shall for all purposes be taken to be agreed or specified by all the joint holders where it has been agreed or specified by the joint holder whose name stands first in the Register of Members in respect of the share.
- 23.6 Any member present, either in person or by proxy, at any meeting of the Company shall be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
- 23.7 Save as otherwise provided by the Act or by these Articles, any notice shall be exclusive of the day on which it is served, or deemed to be served, and of the day for which it is given. Proof that an envelope containing a notice or other document was properly addressed, postage prepaid, and duly posted shall be conclusive evidence that the notice or other document was sent. Proof that a notice or other document contained in electronic form was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice or other document was sent. A notice or other document sent by the Company shall be deemed to be served:
- (a) if sent by first class post or special delivery post from an address within the United Kingdom to another address in the United Kingdom, or by a postal service similar to first class post or special delivery post from an address in another country to another address in that other country, on the day following that on which the envelope containing it was posted;
 - (b) if sent by airmail from an address in the United Kingdom to an address outside the United Kingdom, or from an address in another country to an address outside that country (including without limitation an address in the United Kingdom), on the third day following that on which the envelope containing it was posted;
 - (c) if sent by post by any other method, on the second day following that on which the envelope containing it was posted;
 - (d) if sent by electronic means, on the day on which it was sent; or
 - (e) if published on a website, the time when the material was first made available on the website or if later, when the recipient received (or is deemed to have received) notice of the fact that the material was on the website.

- 23.8 Any notice or document delivered or sent by post to or left at the registered address or sent by some other method of communication agreed with the member to an address of a member for the time being notified by the member to the Company of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt and whether or not the Company shall have notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint holder, unless his name shall, at the time of the service of the notice or document, have been removed from the Register of Members as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
- 23.9 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom or services enabling communication by electronic means the Company is unable effectively to convene a General Meeting by notices sent or supplied using those services, a General Meeting may be convened by a notice advertised on the same date in at least one national daily newspaper, and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice in any other manner authorised by these Articles if at least seven days prior to the meeting the sending of notices again becomes practicable. The Directors may also in like manner, where they consider that exceptional circumstances so warrant, give any general notice to shareholders (or any class of them) or debenture holders by advertisement rather than as aforesaid.
- 23.10 Without prejudice to the rights of the members to attend and vote at meetings, notices of meetings of the members of the Company and other documents shall be sent to those members who appear on the Register of Members on a day selected by the Directors not being earlier than the day 14 days before the date of the notice or the date the document is sent ("the Relevant Date"). The issue or transfer of, or the registration of any transfer of, shares after the Relevant Date shall not affect the validity of the notice of meeting.
- 23.11 Where these Articles require a notice or other document to be signed or authenticated by a member or other person then any notice or other document sent or supplied in electronic form is sufficiently authenticated in any manner authorised by the Act or in such other manner as may be approved by the Directors. Subject to the Act, the Directors may designate procedures or systems for validating any such notice or other document, and any such notice or other document not so validated by use of such procedures or systems shall be deemed not to have been received by the Company.

24 Insolvency

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 or placed in administration.

25 Indemnity

- 25.1 Subject to the provisions of the Act and without prejudice to any indemnity to which a Director may otherwise be entitled, every Director and other officer of the Company or of any Associated Company (other than any person (whether an officer or not) employed by the Company or any such other Associated Company as auditor) shall be entitled to be indemnified out of the assets of the Company against any liability attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company or any body corporate that is a trustee of a person, fund or employee benefits trust of the Company

or any Associated Company, provided that this Article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article or any element of it to be treated as void under the Act.

- 25.2 The Company may purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund or employee benefits trust in which any employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to the Company or any such other company, subsidiary undertaking, pension fund or employee benefits trust; and, to such extent as may be permitted by law, otherwise to indemnify or to exempt any such person against or from any such liability.
- 25.3 In accordance with Section 205 of the 2006 Act, the Company:
- (a) may provide a Director of the Company or any Associated Company of the Company with funds to meet expenditure incurred or to be incurred by such Director in defending any criminal or civil proceedings in connection with any negligence, default, breach of duty or breach of trust by such Director in relation to the Company or an Associated Company of the company or in connection with any application for relief under the provisions mentioned in Section 205(5) of the 2006 Act; and
 - (b) may do anything to enable any such Director to avoid incurring such expenditure.
- 25.4 The terms set out in Section 205(2) of the 2006 Act shall apply to any provision of funds or other things done under Article 25.3.
- 25.5 In accordance with Section 206 of the 2006 Act, the Company:
- (a) may provide a Director of the Company or any Associated Company of the Company with funds to meet expenditure incurred or to be incurred by such Director in defending himself in an investigation by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by such Director in relation to the Company or any Associated Company of the Company; and
 - (b) may do anything to enable any such Director to avoid incurring such expenditure.
- 25.6 In this Article "Associated Company" shall mean a company or other body corporate that is associated with the Company within the meaning of Section 256 of the 2006 Act.