

Company No. 637183

**THE COMPANIES ACT 1985**  
**Company Limited by Shares**

**written RESOLUTION**

of

**P.A.T. (PENSIONS) LIMITED**

We, the undersigned, being all the members of the Company who would be entitled to attend and vote at a general meeting of the Company, agree in accordance with section 381A of the Companies Act 1985 to the following resolution as a special resolution –

**SPECIAL RESOLUTION**

That the regulations contained in the document attached to this resolution and for the purpose of identification marked Exhibit A be adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association of the Company.

*K. Jones*

Dated...17.10.8....2005

Keith Jones

*R.H. Holland-Martin*

Dated...17.10.8....2005

Robert Holland-Martin

*Jane Marshall-Robb*

Dated...17.10.8....2005

Jane Marshall-Robb

*M. Mauchline*

Dated...17.10.8....2005

Maxwell Mauchline

*G. S. Felston*

Dated...17.10.8....2005

Graham Felston

*Hamid Nawaz-Khan*

Dated...17.10.8....2005

Hamid Nawaz-Khan

For and on behalf of Pearl Assurance Group Holdings Limited

*Simon Smith*

Dated 21 JUL 7.....2005

Name.....

Position..... *Director*



COMPANY NO. 637183

**ARTICLES OF ASSOCIATION**  
OF

**P.A.T. (PENSIONS) LIMITED**

REFERENCE

PMA/1002875



**RICHARDS BUTLER**

INTERNATIONAL LAW FIRM

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## CONTENTS

**THE COMPANIES ACT 1985**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**P.A.T. (PENSIONS) LIMITED**  
**ADOPTED ON 17 AUGUST 2005**

**1 INTERPRETATION**

1.1 The regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 shall not apply to the Company.

1.2 In these articles unless the context otherwise requires -

‘the Act’ means the Companies Act 1985 and every statutory modification or re-enactment of it for the time being in force;

‘Appointed Director’ means a director appointed to that office pursuant to article 18.2;

‘these articles’ means these articles of association as altered from time to time by special resolution;

‘A Share’ shall have the meaning set out at article 2.1;

‘board’ means the board of directors of the Company or the directors present at a duly convened and quorate meeting of the directors;

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

**'communication'** means the same as in the Electronic Communications Act 2000;

**'the directors'** means the directors for the time being of the Company being either Appointed Directors or Member Nominated Directors;

**'electronic communication'** means the same as in the Electronic Communications Act 2000;

**'executed'** includes any mode of execution;

**'holder'** in relation to Shares means the person whose name is entered in the register of members as the holder of those Shares and the **'A Shareholder'** shall mean the holder of the A Share and the **'Ordinary Shareholders'** shall mean the holders of any Ordinary Shares;

**'member'** means any holder for the time being of Shares;

**'Member Nominated Director'** means a director appointed to that office pursuant to articles 18.4 and 18.5;

**'the office'** means the registered office of the Company for the time being;

**'the Pensions Act'** means the Pensions Act 1995, including any statutory modification or re-enactment thereof for the time being in force and shall include, where appropriate, any orders, regulations, instruments or other subordinate legislation made thereunder;

**'Scheme'** means the HHG Staff Pension Scheme as constituted by a Trust Deed dated 22nd December 1948 as amended, varied or replaced from time to time;

**'the seal'** means the common seal of the Company and includes any official seal kept by the Company by virtue of sections 39 or 40 the Act;

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

**'Selection Arrangements'** means the arrangements established in accordance with the Pensions Act and approved by the directors which apply to the Company from time to time concerning the nomination, selection, election, appointment and removal of Member Nominated Directors;

**'Shares'** means shares in the capital of the Company (of whatever class);

**'the Statutes'** means the Act, the Companies Act 1989, the Pensions Act and every other statute or statutory instrument, rule, order or regulation from time to time in force concerning companies so far as they apply to the Company;

**'Substitution Date'** means the date upon which Pearl Assurance Group Holdings Limited becomes the principal employer of the Scheme;

**'the United Kingdom'** means Great Britain and Northern Ireland.

**1.3** Headings are used for convenience only and shall not affect the interpretation of these articles.

**1.4** Save as set out above, words and expressions contained in these articles shall bear the same meaning as in the Act (but excluding any statutory modification or re-enactment not in force on the date on which these articles become binding on the Company).

## **2 SHARE CAPITAL AND ALLOTMENTS**

**2.1** The authorised Share capital of the Company at the date of adoption of these articles is £100 divided into one 'A' Share of £1 (**'A Share'**), and 99 Ordinary Shares of £1 each (**'Ordinary Shares'**). Save as expressly provided in these articles, the A Share and the Ordinary Shares shall carry the same rights in all respects but shall constitute separate classes of Shares.

**2.2** The A Share shall entitle the A Shareholder to a fixed non-cumulative dividend at the rate of 5 per cent per annum of the nominal value thereof for any financial year of the Company in respect of which the net profits of the Company available for distribution as a dividend (as certified by the auditors of the Company whose decision shall be final and binding) exceed £500,000,000. On a winding up the A Shareholder

shall be entitled out of the surplus assets of the Company to a return of the capital paid up on the A Share held by him after a total sum of £1,000,000 has been distributed on such winding up in respect of each Ordinary Share. Save as provided in this article 2.2 the A Shareholder shall not be entitled to any participation in the profits or assets of the Company.

**2.3** If at any time the Share capital is divided into different classes of Shares, the rights attached to any class may, whether or not the Company is being wound up, be *modified, varied or abrogated with the consent in writing of the holder or holders of not less than three fourths in nominal value of the issued Shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Shares of the class.* To every such separate general meeting the provisions of these regulations relating to general meetings shall apply, except that the quorum shall be (where all the Shares of that class are held by one person) that person and (in any other case) two persons holding or representing by proxy at least one third of the issued Shares of the class and that any holder of Shares of the class present in person or by proxy may demand a poll.

**2.4** The rights attached to each class of Share shall be deemed to be varied by any alteration to these articles but shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* with them.

**2.5** Sections 89 and 90 of the Act shall not apply to the Company.

### **3 SHARE TRANSFERS - GENERAL**

**3.1** The instrument of transfer of a Share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor *(but shall not be required to be executed by or on behalf of the transferee unless any Share to which it relates is not fully paid).* The transferor shall remain the holder of the Shares concerned until the name of the transferee is entered in the register of members in respect of them.

3.2 The directors may, in their absolute discretion and without assigning any reason, decline to register any transfer of any Ordinary Share, whether or not it is a fully paid Ordinary Share. The directors may also refuse to register the transfer of any Share -

(a) on which the Company has a lien;

(b) unless -

(i) it is lodged at the office or at such other place in England as the directors may appoint and is 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;

(ii) it is in respect of only one class of Shares; and

(iii) it is in favour of not more than four transferees; or

(c) to a person who is (or who the directors reasonably believe to be) under 18 years of age or who does not have (or who the directors reasonably believe does not have) the legal capacity freely to dispose of any Share.

3.3 In the event that an Ordinary Shareholder ceases to be a director or having been nominated for appointment (either by the A Shareholder pursuant to article 18.2 or under the Selection Arrangements) is not within 30 days subsequently appointed as a director or dies or becomes bankrupt then the board shall serve a notice as soon as reasonably practicable following such cessation, lack of appointment, death or bankruptcy requiring that Ordinary Shareholder (or a person becoming entitled to any Ordinary Shares in consequence of the death or bankruptcy of an Ordinary Shareholder) (each a **'Compulsory Transferor'**) to transfer all or part of his Ordinary Shares (the **'Transfer Shares'**) for a nominal consideration (determined by the board at its absolute discretion) to a person who has been nominated (either by the A Shareholder pursuant to article 18.2 or under the Selection Arrangements) and/or who has been appointed as a director in place of the Compulsory Transferor on the board (each a **'Replacement Director'**). If the Compulsory Transferor fails to



deliver executed stock transfer form(s) in respect of the Transfer Shares to a Replacement Director or the Company within fourteen days of the board serving notice on the Compulsory Transferor as set out in this article, the directors shall be entitled to, and shall, authorise any director to execute and deliver the necessary transfer form and do any other necessary act to transfer the Transfer Shares on behalf of the Compulsory Transferor to a Replacement Director (or in the absence of any Replacement Director, to an existing director or directors who shall hold such Transfer Shares only until such time as a Replacement Director has been nominated and/or appointed (at which time the Transfer Shares shall then be transferred to the Replacement Director for a nominal consideration (determined by the board at its absolute discretion)). The Company may receive the purchase money for the Transfer Shares in trust for the Compulsory Transferor and the directors shall be entitled to authorise registration of transfers under this article. The receipt of the Company for the purchase money shall be a good discharge to the Replacement Director (who shall not be bound to see to the application of that money) and after the Replacement Director has been registered in the register of members in purported exercise of the powers referred to above the validity of the proceedings shall not be questioned by any person. The Compulsory Transferor (or a director authorised by this article to act on his behalf) shall surrender to the directors his share certificate or execute an indemnity in a form reasonably satisfactory to the directors in respect of any share certificate which cannot be produced for the Transfer Shares. On surrender the Compulsory Transferor shall be entitled to the nominal consideration for the Transfer Shares which, in the event of a delay in the surrender of such share certificate or execution of such indemnity, shall have been held by the Company in trust for the Compulsory Transferor without the obligation to pay interest.

- 3.4 The directors shall refuse to register the transfer of any Share unless they are satisfied that such transfer is made in accordance with and permitted under the articles.
- 3.5 The directors may require any member or other person entitled to transfer a Share or any person named as the transferee in any transfer lodged for registration to provide the Company with such information and evidence as the directors may consider necessary to ensure that any transfer lodged for registration is authorised under these articles or that no circumstances have arisen in which a notice ought to be given by

the board under article 3.3. If the information or evidence shall not be provided to the satisfaction of the directors within a reasonable time, the directors shall be entitled to refuse to register the transfer concerned or (as the case may require) to give a notice under article 3.3 as if such a circumstance had arisen.

- 3.6** Any Ordinary Share required to be transferred by a Compulsory Transferor to a Replacement Director pursuant to this article 3 shall be transferred free from any mortgage, charge, lien, option or other encumbrance and with the benefit of all rights and entitlements attaching to that Share on the date of the notice served by the board under article 3.3.

#### **4 FURTHER PROVISIONS CONCERNING SHARES**

- 4.1** Subject to the provisions of the Act, Shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these articles.
- 4.2** The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other.
- 4.3** Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust and (except as otherwise provided by these articles or by law) the Company shall not be bound by or recognise any interest in any Share except an absolute right to the entirety of that Share in the holder.
- 4.4** If the directors refuse to register a transfer of a Share, they shall, within 2 months after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.
- 4.5** No fee shall be charged for the registration of any instrument or transfer or other document relating to or affecting the title to any Share.

- 4.6 No Share shall be transferred to any infant, bankrupt or a person with a mental disorder.
- 4.7 If a member dies the survivor or survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing contained in these articles shall release the estate of a deceased member from any liability in respect of any Share which had been solely or jointly held by him.
- 4.8 Article 3.3 shall apply to any person becoming entitled to a Share in consequence of the death or bankruptcy of a member where a deceased or bankrupt member was an Ordinary Shareholder and the directors shall give a notice under article 3.3 to any person entitled to a Share in consequence of the death or bankruptcy of a member who either wishes to transfer or to be registered as the holder of that Share.

## **5 SHARE CERTIFICATES**

- 5.1 Every member, within one month after the allotment, or lodgment of a duly stamped transfer, to him of Shares (or within such period as the terms of issue provide), shall be entitled without payment to one certificate for all Shares of each class held by him (and, upon transferring a part of his holding of Shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his Shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal or executed in such other manner as the directors authorise, having regard to the Act, and shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for Shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
- 5.2 If a Share certificate is defaced, worn-out, lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may

determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

## **6 LIEN**

- 6.1** The Company shall have a first and paramount lien on every Share (whether or not a fully paid Share) for all moneys (whether presently payable or not) payable or otherwise owing by the holder of such Share to the Company. The directors may at any time declare any Share to be wholly or in part exempt from the provisions of this article. The Company's lien on a Share shall extend generally as referred to above as well as to any amount payable in respect of it.
- 6.2** The Company may sell in such manner as the directors determine any Shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice in writing has been given to the holder of the Share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold. The provisions of article 3 shall apply to any sale of Shares made by the Company pursuant to this article (so that without limitation an Ordinary Share shall only be transferred to a director or a Replacement Director on the terms contained at article 3.3).
- 6.3** To give effect to a sale under this article 6 the directors may authorise some person to execute on behalf of the holder of the relevant Shares an instrument of transfer of such Shares in favour of the purchaser(s), and to do any other necessary act to transfer such Shares to the purchaser(s). The title of the transferee to the Shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 6.4** The net proceeds of such sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the Shares sold and subject to a like lien for any moneys not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of such sale.

## **7 CALLS ON SHARES AND FORFEITURE**

- 7.1** Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his Shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due under that call, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect of which the call was made. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share.
- 7.2** A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 7.3** If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it becomes due and payable until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part.
- 7.4** An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of these articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.
- 7.5** Subject to the terms of allotment, the directors may make arrangements on the issue of Shares for a difference between the holders in the amounts and times of payment of calls on their Shares.
- 7.6** If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any

expense incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited. The directors may accept a surrender of any Share liable to be forfeited under these articles.

7.7 If the Shares are not surrendered or if the notice is not complied with, any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and forfeiture shall include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.

7.8 Subject to the provisions of the Act and these articles, a forfeited or surrendered Share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture or surrender the holder or to any other person and at any time before sale, surrender, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where the directors propose that a forfeited or surrendered Share should be transferred, the Company shall give written notice of such proposal to the member concerned. The provisions of article 3 shall apply in relation to any proposed transfer of a Share pursuant to this article (so that without limitation an Ordinary Share shall only be transferred to a director or Replacement Director on the terms contained at article 3.3).

7.9 A person any of whose Shares have been forfeited or surrendered shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of those Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or surrender or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture or surrender until payment but the directors may waive payment wholly or in part or

*enforce payment without any allowance for the value of the Shares at the time of forfeiture or surrender or for any consideration received on their disposal.*

- 7.10 A statutory declaration by a director or the secretary that a Share has been forfeited or surrendered or sold to satisfy a lien of the Company on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share. The declaration and the receipt of the Company for the consideration (if any) given for the Share on the sale, re-allotment or disposal of that Share shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor, subject to compliance by the directors with article 3, shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the Share.

## **8 ALTERATION OF SHARE CAPITAL**

- 8.1 Subject to the Act, and to articles 2.4 and 13 the Company may by ordinary resolution -
- (a) *increase its Share capital by the creation of new Shares of such amount as the resolution prescribes;*
  - (b) *consolidate and divide all or any of its share capital into Shares of larger amounts than its existing Shares;*
  - (c) *sub-divide its Shares, or any of them, into Shares of smaller amounts and the resolution may determine that, as between the Shares resulting from the sub-division, any of them may have any preference, or special right or advantage or be subject to any such restriction as compared with the others; and*
  - (d) *cancel Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken, by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.*

**8.2** Whenever, as a result of a consolidation of Shares any members would become entitled to fractions of a Share, the directors may, on behalf of those members, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members. The provisions of article 3 shall, unless the Shares are sold to the Company, apply to any such sale (so that without limitation an Ordinary Share shall only be transferred to a director or Replacement Director) and the directors may authorise some person to execute an instrument of transfer of the Shares in favour of the purchaser(s), and to do any other necessary act to transfer such Shares to the purchaser(s). No such purchaser shall be bound to see to the application of the purchase money nor, subject to compliance by the directors with this article and article 3, shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

**8.3** Subject to the provisions of the Act and these articles, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium or other undistributable reserve account in any way.

## **9 PURCHASE OF OWN SHARES**

Subject to the provisions of the Act and these articles, the Company may purchase its own Shares (including any redeemable Shares) and, whilst a private Company, make a payment in respect of the redemption or purchase of its own Shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of Shares.

## **10 GENERAL MEETINGS**

**10.1** All general meetings other than annual general meetings shall be called extraordinary general meetings.

**10.2** The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall immediately proceed to convene an extraordinary general meeting within 21 days of receipt of a valid requisition for a date not later than 28 days from the date of the notice convening the meeting.



## **11 NOTICE OF GENERAL MEETINGS**

**11.1** An annual general meeting and an extraordinary general meeting called for the passing of a special or elective resolution shall be called by at least 21 clear days' notice. All other extraordinary general meetings shall be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it is so agreed -

- (a) in the case of an annual general meeting, by all the members entitled to attend and vote at that meeting; and
- (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote on any matter to be considered at that meeting being a majority together holding not less than 95 per cent in nominal value of the Shares giving that right.

The notice shall specify the time, place and day of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of these articles and to any restrictions imposed on any Shares, the notice shall be given to all the members entitled to receive such notices (and also to the A Shareholder irrespective of whether the notice relates to a matter to be considered at a meeting in respect of which the Shareholder is entitled to attend and vote), to all persons entitled to a Share in consequence of the death or bankruptcy of a member and to the directors and auditors.

**11.2** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

## **12 PROCEEDINGS AT GENERAL MEETINGS**

**12.1** No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum. The A Share shall only entitle the A Shareholder to attend a meeting if the

business to be transacted at the meeting includes an A Share Resolution pursuant to article 13.2. The A Shareholder shall only be entitled to vote at a meeting on business which is an A Share Resolution.

- 12.2** If such a quorum is not present within half an hour from the time appointed for the meeting (or such longer interval as the chairman of the meeting may think fit to allow) or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or such time and place as the directors may determine.
- 12.3** The chairman, if any, of the board of directors or in his absence some other Appointed Director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other Appointed Director (if any) be present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect any one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
- 12.4** If no director is willing to act as chairman, or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
- 12.5** A director shall, notwithstanding that he is not a member, be entitled to receive notices of and attend and speak at any general meeting and at any separate meeting of the holders of any class of Shares in the Company.
- 12.6** The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

**12.7** A resolution put to the vote of a meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded -

- (a) by the chairman; or
- (b) by at least two members having the right to vote at the meeting; 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 at the meeting; or
- (d) by a member or members holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring the right; or
- (e) by the A Shareholder pursuant to the provisions of article 13.2

and a demand by a person as proxy for a member (or if a member is a corporation by a duly authorised representative) shall be the same as a demand by the member.

**12.8** Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

**12.9** The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the meeting and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

**12.10** A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

- 12.11 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a second or casting vote in addition to any other vote he may have.
- 12.12 A poll demanded on the election of a chairman or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such place and time (not being more than 30 days after the poll is demanded) as the chairman directs. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 12.13 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 12.14 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

### **13 VOTES OF MEMBERS**

- 13.1 Subject to any rights or restrictions as to voting attached to any Shares and in particular to those set out in these articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative (not being himself a member entitled to vote) and every person (not being himself a member entitled to vote) present as a proxy for a member or members shall have one vote and on a poll every member (or his proxy) shall have one vote for every Share of which he (or the member by whom he was appointed) is the holder.

13.2 The holder of the A Share shall only have the right to demand a poll on any of the following resolutions –

- (a) A resolution to delete or amend any provisions of this article 13.2; or
- (b) a resolution to remove an Appointed Director from office pursuant to section 303 of the Act or otherwise; or
- (c) a resolution for the Company to purchase or redeem the A Share; or
- (d) a resolution referred to at article 8.1.

(each an '**A Share Resolution**').

On any poll demanded in relation to an A Share Resolution the A Shareholder shall, if he is voting against such A Share Resolution, have 100 votes for the A Share of which he is holder, but if voting in favour of, or abstaining on, such A Share Resolution, the A Shareholder shall only have one vote in relation to such A Share Resolution, whether the vote is taken on a show of hands or by poll.

13.3 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 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.

13.4 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator or other person authorised in that behalf appointed by that court, and any such receiver, curator or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with these articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at

which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

- 13.5 No member shall vote at any general meeting or at any separate meeting of the holders of any class of Shares in the Company, either in person or by proxy, in respect of any Share held by him unless all moneys presently due and owing by him to the Company in respect of that Share have been paid.
- 13.6 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 13.7 On a show of hands or a poll, votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion and a member entitled to more than one vote need not use all his votes or cast all his votes used in the same way. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting except with the permission of the chairman of the meeting.
- 13.8 The appointment of a proxy shall be executed by or on behalf of the appointor (in the case of a corporation the instrument shall be under the common seal or signed by a duly authorised officer) and shall be in the following form (or in a form as near to it as circumstances allow or in any other form which is usual or which the directors may approve) -

[Limited][PLC]

I/We, \_\_\_\_\_, of \_\_\_\_\_ being a  
member/members of the above-named company, hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_ or failing him,  
\_\_\_\_\_ of \_\_\_\_\_, as my/our proxy to vote in  
my/our name[s] and on my/our behalf at the annual/ extraordinary general

meeting of the company to be held on 20 , and at any adjournment thereof.

Signed this day of 20 .'

- 13.9 Where it is desired to afford members an opportunity of instructing the proxy how he shall act, the appointment of a proxy shall be in the following form (or in a form as near to it as circumstances allow or in any other form which is usual or which the directors may approve) -

' [Limited][PLC]  
I/We, , of , being a member/members of the above-named company, hereby appoint of , or failing him, of , as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the company to be held on 20 , and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows -

Resolution No. 1 \*for \*against

Resolution No. 2 \*for \*against

\*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this day of 20 .'

- 13.10 The appointment of a proxy and any authority under which it is executed or a copy of such authority certified in such manner as the directors may reasonably prescribe may -

- (a) in the case of an instrument in writing be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
- (b) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications -
  - (i) in the notice convening the meeting;
  - (ii) in any instrument of proxy sent out by the Company in relation to the meeting; or
  - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting;

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

- (c) in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as set out above after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (d) where the poll is not taken immediately but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid. In this article and the next, 'address', in relation to electronic communications, includes any number or address used for the purposes of such communications.



**13.11** A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited, or, where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll. The instrument shall, unless the contrary is stated thereon, be valid for any adjournment of the meeting as well as for the meeting to which it relates. Provided that an instrument of proxy relating to more than one meeting (including adjournments thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for any purpose of any subsequent meeting to which it relates.

#### **14 NUMBER OF DIRECTORS**

**14.1** The number of directors shall not be less than three. The maximum number of directors shall be nine, of which a maximum of three may be Member Nominated Directors and the remainder shall be Appointed Directors.

**14.2** Subject to the Statutes a director (other than a Member Nominated Director) may be a corporation. Where a director is a corporation, it shall act by its duly authorised representative appointed by it from time to time. A letter delivered to the Company and signed by the secretary of such corporation specifying the name of the duly authorised representative from time to time shall be sufficient evidence of the authority of the appointment or replacement of any such representative. Such representative shall be entitled to exercise all the rights of the corporation which has appointed him but shall not himself be deemed to be a director for the purposes of these articles and shall be deemed to be an agent of the director appointing him. A representative appointed pursuant to this article 14.2 shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent, so far as applicable, as if he

were a director, but shall not be entitled to receive from the Company in respect of his appointment any remuneration.

## **15 ALTERNATE DIRECTORS**

No director shall have any right whatsoever either to assign his office to another person or to appoint an alternate director to act in his place.

## **16 POWERS OF DIRECTORS**

**16.1** Subject to the provisions of the Act, the Company's memorandum of association and these articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the memorandum of association or these articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the directors by these articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

**16.2** The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

**16.3** Without prejudice to the powers conferred by articles 16.1 and 16.2 the directors shall have the power –

- (a) to establish and maintain, or procure the establishment and maintenance of, any pension funds (whether contributory or otherwise); and
- (b) without prejudice to the foregoing, to propose, amend and implement, as permitted by, and subject to the requirements of the Pensions Act, the Selection Arrangements.

**16.4** The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue

debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## **17 DELEGATION OF DIRECTORS' POWERS**

The directors may delegate any of their powers to any committee consisting of (i) one or more Appointed Directors and (ii) where any Member Nominated Directors have been appointed as and continue to act as directors, one or more Member Nominated Directors and (iii) any such other persons as shall be co-opted provided that (in the case of a committee which includes persons other than directors in its number) the majority of the members of such committee must be directors. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may at any time be revoked, withdrawn, varied or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of these articles regulating the proceedings of directors so far as they are capable of applying provided that the quorum for a meeting of a committee consisting of only directors shall be two and the quorum of a committee consisting of directors and any other persons shall be two directors or such number of directors as shall be a majority of those present (whichever is the greater) and provided further that in each case such a quorum shall include at least one Appointed Director and (where a Member Nominated Director is a member of the committee) one Member Nominated Director. Without prejudice to the foregoing matters arising at any meeting of a committee shall be determined by a majority of votes of the members of the committee present, and in the case of an equality of votes the chairman of the committee shall have a second or casting vote. A committee may elect an Appointed Director as chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman of the committee is not present within 5 minutes after the time appointed for holding the same, the members of the committee may choose one of their number (being an Appointed Director) to be chairman of the meeting.

## **18 APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 18.1** Any director holding office on the date of the adoption of these articles, who has already been appointed as an appointed director as defined by and under the

Company's articles of association previously in force prior to the adoption of these articles shall for the purposes of these articles (including article 18.2) be deemed to an Appointed Director.

**18.2** A total of six persons willing to act as directors may be appointed at any time pursuant to this article 18.2 as directors (such persons being '**Appointed Directors**') provided always that each of the following occurs –

- (a) the A Shareholder by notice (signed by it or on its behalf) sent to the Company or left at the office, notifies the Company of a person that it wishes to be appointed as a director; and
- (b) the board by majority (as evidenced by a resolution of the directors) approves the appointment of that person referred to at paragraph (a) above as a director.

The appointment of an Appointed Director under this article 18.2 shall take effect on the last to occur of the receipt by the Company at the office of the notice referred to at paragraph (a) and the passing of the directors' resolution referred to at paragraph (b).

**18.3** Any Appointed Director may –

- (a) until the third anniversary of the Substitution Date be removed at any time from office provided always that each of the following occurs –
  - (i) the A Shareholder by notice (signed by it or on its behalf) sent to the Company or left at the office, notifies the Company of its wish to remove an Appointed Director as a director; and
  - (ii) the board by majority (as evidenced by a resolution of the directors) resolves to remove the same person referred to at sub-paragraph (i) as a director.

The removal of an Appointed Director as a director under this article 18.3(a) shall take effect on the last to occur of the receipt by the Company at the

office of the notice referred to at sub-paragraph (i) and the passing of the directors' resolution referred to at sub-paragraph (ii); or

(b) on or after the third anniversary of the Substitution Date be removed at any time from office pursuant to either sub-paragraph (i) or sub-paragraph (ii) below –

(i) by the board by majority (as evidenced by a resolution of the directors) resolving to remove the Appointed Director as a director provided always that the A Shareholder by notice (signed by it or on its behalf) sent to the Company or left at the office, notifies the Company of its agreement to remove the same person as a director.

The removal of an Appointed Director as a director under this article 18.3(b)(i) shall take effect on the last to occur of the receipt by the Company at the office of the notice from the A Shareholder and the passing of the directors' resolution referred to in this article 18.3(b)(i); or

(ii) by the A Shareholder notifying the Company by notice of the removal of the Appointed Director as a director. Such notice shall be signed by or on behalf of the A Shareholder and shall be sent to the Company or left at the office and shall take effect on its receipt at the office by the Company.

**18.4** Subject to article 14.1 the board shall appoint as directors those persons who shall have been elected as Member Nominated Directors under the Selection Arrangements. Any such appointments shall be made by the board (provided the board has received notification of the election in accordance with article 18.5) at the next meeting of the board following the election of such Member Nominated Directors under the Selection Arrangements.

**18.5** A letter signed by the secretary specifying the name of a person elected as a Member Nominated Director and confirming that the relevant person named therein has been

elected pursuant to the Selection Arrangements shall (in the absence of manifest error) be sufficient evidence of his eligibility for such appointment and shall be final.

- 18.6 No director shall be required to vacate his office as a director, nor shall any person be ineligible for appointment as a director, by reason of his having attained any particular age. The directors are not subject to retirement by rotation.

## 19 DISQUALIFICATION AND REMOVAL OF DIRECTORS

The office of a director shall be vacated if -

- (a) he ceases to be a director by virtue of any provision of the Act or the Pensions Act or these articles or he becomes prohibited by law from being a director of a company; or
- (b) he is disqualified from acting as a director of the Company under the Pensions Act; or
- (c) the director is a corporation and it takes any corporate action or other steps or legal proceedings are commenced for its winding up, dissolution or for it to enter into any arrangement or composition for the benefit of creditors or for the appointment of a receiver, administrator, administrative receiver, trustee or similar person of any of its revenues or assets or distress is executed against, or an encumbrancer takes possession of any of its revenues or assets; or
- (d) he becomes of unsound mind or a patient for any purpose of a statute relating to mental health and the directors resolve that his office is vacated; or
- (e) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (f) he resigns his office by notice in writing to the Company; or
- (g) subject to article 13.2 he is removed from office under section 303 of the Act; or

- (h) being an Appointed Director he is removed under article 18.3; or
- (i) being a Member Nominated Director either (aa) the board pass a resolution (on which all the remaining directors vote in favour) resolving to remove the director, or (bb) the board pass a resolution in accordance with the Pensions Act to remove the director.

No Appointed Director or Member Nominated Director shall be appointed or removed otherwise than pursuant to this Article 19 and Article 18, save as provided by law.

## **20 REMUNERATION OF DIRECTORS**

The directors shall be entitled to such remuneration as the Company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

## **21 DIRECTORS' EXPENSES**

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

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

**22.1** Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any interest of his, a director, notwithstanding his office -

- (a) may be a party to, or otherwise interested in, any transaction or arrangement 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 transaction or arrangement with, or otherwise interested in, any body

corporate promoted by the Company or in which the Company is otherwise interested; and

- (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

**22.2** For the purposes of article 22 -

- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

**23 DIRECTORS' GRATUITIES AND PENSIONS**

The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who holds or who has held but no longer holds any executive office or employment with the Company or with any other body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any other such subsidiary and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.



## **24 PROCEEDINGS OF DIRECTORS**

- 24.1** Subject to the provisions of these articles, meetings of the board must be held at least four times in a calendar year and the directors may regulate their proceedings as they think fit. The chairman may, and the secretary at the request of a director shall, call a meeting of the directors. It shall be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Any director may waive notice of any meeting and any such waiver may be prospective or retrospective. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.
- 24.2** The quorum for the transaction of the business of the directors shall be three (of whom at least one must be an Appointed Director and, where any Member Nominated Directors have been appointed and continue to act as directors, at least one must be a Member Nominated Director). No business shall be transacted at any meeting of the directors unless a quorum is present at all times when the meeting proceeds to business. A meeting of the directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the directors.
- 24.3** The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
- 24.4** The directors may appoint one of the Appointed Directors to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. If there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint another Appointed Director to be chairman of the meeting.
- 24.5** A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if

it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and, when signed as set out above, may consist of several documents in the like form each signed by one or more directors.

**24.6** The directors or any of them, may participate in or form a meeting of the directors by means of a conference telephone or any communication equipment which allows all the participants to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be counted in the quorum and be entitled to vote accordingly. The meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is then present.

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

**24.8** A director may vote at a meeting of the directors or of a committee on a resolution which concerns or relates to a matter in which he has, directly or indirectly, an interest. He shall also be taken into account in determining whether there is a quorum present at the meeting. The director shall nevertheless be obliged to comply with the provisions of section 317 of the Act in relation to the disclosure of interests in contracts.

**24.9** If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

## **25 SECRETARY**

Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit and any secretary so appointed may be removed by them.

## **26 MINUTES**

The directors shall cause minutes to be made in books kept for the purpose -

- (a) of all appointments of officers made by the directors; and
- (b) of all proceedings at meetings of the Company, of the holders of any class of Shares, and of the directors, and of any committee of directors, including the names of the directors present at each such meeting.

## **27 THE SEAL**

The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and the secretary or by two directors.

## **28 DIVIDENDS**

**28.1** Subject to the provisions of the Act, the Company may by ordinary resolution declare final dividends in accordance with the respective rights of the members, but no final dividend shall exceed the amount recommended by the directors.

**28.2** Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. The directors shall pay any dividend payable at a fixed rate and time subject only to the Company having sufficient profits available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on Shares which confer deferred or non-preferred rights with regard to dividend as well as on Shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on Shares carrying deferred or non-preferred rights if,

at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any Shares having deferred or non-preferred rights.

- 28.3** *Except as otherwise provided by the rights attached to any class of Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid; but, if any Share is issued on terms providing that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly.*
- 28.4** *A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.*
- 28.5** *Any dividend or other moneys payable in respect of a Share may be paid by cheque sent by post to the registered address of the person entitled, or, if two or more persons are the holders of the Share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that person who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a Share as referred to above may give receipts for any dividend or other moneys payable in respect of the Share.*

**28.6** No dividend or other moneys payable in respect of a Share shall bear interest against the Company unless otherwise provided by the rights attached to the Share.

**29 ACCOUNTS**

No member shall (as such) have any right to inspect any accounting records or other book or document of the Company except as conferred by statute or authorised by the directors or by ordinary resolution of the Company.

**30 CAPITALISATION OF PROFITS AND RESERVES**

The directors may, with the authority of an ordinary resolution of the Company -

- (a) capitalise any sum standing to the credit of any of the Company's reserve accounts (including (without limitation) share premium account or any revaluation reserve) or any sum standing to the credit of profit and loss account;
- (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any Shares held by them respectively, or in paying up in full unissued Shares or debentures of the Company of a nominal amount equal to that sum, and allot the Shares or debentures credited as fully paid to those members, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued Shares to be allotted to members credited as fully paid;
- (c) make such provision as the directors think fit for any fractional entitlements which would arise on the basis referred to above (including provision whereby fractional entitlements are disregarded); and
- (d) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them

respectively, credited as fully paid, of any Shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

## **31 NOTICES**

- 31.1** Any notice to be given to or by any person pursuant to the articles (other than a notice calling a meeting of the directors) shall be in writing or shall be given using *electronic communications to an address for the time being notified for that purpose* to the person giving the notice. In this article 31, '**address**', in relation to electronic communications, includes any number or address used for the purposes of such communications.
- 31.2** The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the Company by the member. In the case of joint holders of a Share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the company an address at which notices may be given to him (whether inside or outside the United Kingdom) or an address to which notices may be sent using electronic communications shall be entitled to have notices given to him at such address.
- 31.3** A member present, either in person or by proxy (or if a member is a corporation, by a duly authorised representative), at any meeting of the Company or of the holders of any class of Shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 31.4** Every person who becomes entitled to a Share shall be bound by any notice in respect of that Share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.

**31.5** Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent, or in the case a notice personally delivered, at the time of delivery.

**31.6** A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by these articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

## **32 WINDING UP**

If the Company is wound up, the liquidator may subject to the rights attaching to each class of Shares, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the members in specie or kind the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

## **33 INDEMNITY**

Subject to the Statutes, every director, secretary or manager of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses

and liabilities incurred or sustained by him in the execution and discharge of his duties or the exercise of his powers, authorities and discretions, including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability in respect of negligence, default, breach of duty or breach of trust, in relation to the affairs of the Company.

#### **34     INSURANCE**

The Company may purchase and maintain, for every person who is or was a director or secretary, insurance against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or omitted or alleged to have been done or omitted as a director or secretary. Such insurance shall be consistent with the Act and section 31(2) of the Pensions Act.