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**THE COMPANIES ACT 1985**  
**COMPANY LIMITED BY SHARES**  
**SPECIAL RESOLUTIONS**  
**OF**  
**MILLWALL HOLDINGS PLC**

(Passed on 24th June 2003)

At an Extraordinary General Meeting of the above-named Company, duly convened and held at The Den, Zampa Road, London SE16 3LN at 11.00 a.m. on 24th June 2003 the following resolutions were duly passed as special resolutions of the Company.

**SPECIAL RESOLUTIONS**

**1 THAT:**

- (a) each of the issued ordinary shares of 0.1p each in the Company be subdivided into one ordinary share of 0.01p (a "New Ordinary Share") and one deferred share of 0.09p ("Deferred Share") each credited as fully paid up and the latter having the special rights and being subject to the restrictions set out in paragraph (c) below;
- (b) each of the unissued ordinary shares of 0.1p each in the Company be subdivided into 10 New Ordinary Shares of 0.01p each;
- (c) the existing articles of association of the Company be amended to incorporate the special rights and restrictions attaching to the Deferred Shares by the deletion of the existing article 3 and by the substitution for it of the following new article 3:

"3.1 The authorised share capital of the Company at the date of the adoption of this Article 3 is £11,021,062.33 divided into 86,881,838,777 ordinary shares of 0.01p each ("Ordinary Shares") and 2,592,087,167 deferred shares of 0.09p each ("Deferred Shares").

3.2 The special rights and restrictions attaching to the Deferred Shares shall be as follows:

3.2.1 as regards voting:

the Deferred Shares shall not entitle the holders thereof to receive notice of or attend or vote at any general meeting of the Company;

3.2.2 as regards income:

the holders of the Deferred Shares shall have no right to receive any dividend or other distribution;

3.2.3 as regards return of capital:

the Deferred Shares shall on a return of capital or on a winding up or otherwise entitle the holders thereof only to the repayment of the amounts paid up on such shares after the repayment of the capital paid up on the Ordinary Shares and the payment of £100,000 on each such ordinary share but the holders of Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company;

3.2.4 as regards transfers:

the Company is authorised at any time

- (aa) to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer thereof and/or an agreement to transfer the same, without making any payment to the holders thereof and persons so entitled, to such person(s) as the Company may determine;
- (bb) pending any such transfer, not to issue certificates for the New Deferred Shares;

3.2.5 as regards variation of rights:

none of

- (aa) the passing by the Company of any resolution for a reduction of capital involving the cancellation of the Deferred Shares without any repayment of capital in respect thereof; or
- (bb) the passing by the Company of any resolution for any other reduction of capital, including a reduction of share premium account, or the obtaining by the Company or the making by the Court of an order confirming any such reduction of capital or share premium account or the making effective of such order; or
- (cc) the redemption or purchase by the Company in accordance with the provisions of the Companies Act 1985 of any of its own shares or other securities or the

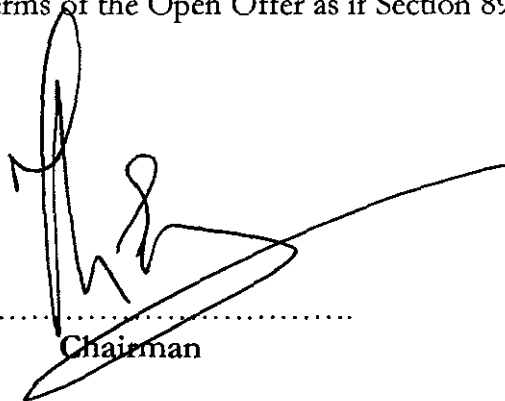
passing of a resolution to permit any such redemption or purchase,

shall constitute a variation or abrogation of the rights attaching to the Deferred Shares; and

3.2.6 as regards further issues:

the rights conferred by the Deferred Shares shall not be varied or abrogated by the creation or issue of further shares ranking *pari passu* with or in priority to the Deferred Shares."

- 2 **THAT**, subject to the passing of resolution 1 above, in addition to the authorities and powers pursuant to sections 80 and 95 of the Companies Act 1985 ("the Act") granted to Directors by Ordinary Resolution and Special Resolution at the Annual General Meeting of the Company held on 25th October 2002, but otherwise subject to and conditional upon the Underwriting Agreement (as defined in the prospectus dated 29 May 2003 of which this Notice of Meeting forms part ("the Prospectus")) becoming unconditional (save only as regards the passing of this Resolution and Admission (as defined in the Prospectus) and not being terminated in accordance with its terms on or before 25 June 2003 the Directors be and they are hereby generally and unconditionally authorised pursuant to Section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in Section 80) of up to 3,888,130,750 ordinary shares of 0.01p each (being New Ordinary Shares created by resolution 1 above) pursuant to the Open Offer (as defined in the Prospectus) such authority to expire to the extent not previously exercised on 31 July 2003 and in relation to such authority the Directors be and are hereby empowered pursuant to Section 95 of the Act to allot relevant equity securities (as defined in Sections 94 of the Act) in accordance with the terms of the Open Offer as if Section 89(1) of the Act did not apply thereto.



Chairman

**Presented for filing by:**

Richards Butler  
Beaufort House  
15 St. Botolph Street  
London EC3A 7EE  
Tel: 020 7247 6555  
Ref: ASC/1002363

**THE COMPANIES ACTS 1985 AND 1989**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**of**

**MILLWALL HOLDINGS PLC**

**(As amended by a special resolution passed on 24<sup>th</sup> June 2003)**

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**REFERENCE**

**ASC/1002363**



**RICHARDS BUTLER**

**INTERNATIONAL LAW FIRM**

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**THE COMPANIES ACTS 1985 AND 1989**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

of

**MILLWALL HOLDINGS PLC**

(Adopted by special resolution passed on 10<sup>th</sup> August 2001)

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**PRELIMINARY**

**1 OTHER REGULATIONS EXCLUDED**

The following regulations shall be the articles of association of the Company to the exclusion of any regulation or article prescribed by or pursuant to any statute concerning companies.

**2 INTERPRETATION**

**2.1** In these Articles the following words and phrases have the following meanings -

‘the Act’ the Companies Act 1985 as amended, consolidated or re-enacted from time to time;

‘Address’ in relation to Electronic Communication includes any number or addresses used for the purposes of such Electronic Communication;

**'Articles'** these articles of association as amended from time to time;

**'Auditors'** the auditors of the Company from time to time;

**'Board'** the board of Directors or the Directors present at a duly convened and quorate meeting of Directors or a duly authorised committee of the Directors as the context requires;

**'Business Day'** a day (other than a Saturday or a Sunday) on which banks are open for business in London;

**'cash memorandum account'** an account so designated by the Operator of the relevant system concerned;

**'Clear Days'** in relation to a period of notice, 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 (as that act may be amended, consolidated or re-enacted from time to time);

**'Company'** Millwall Holdings PLC;

**'Director'** a director of the Company from time to time;

**'Electronic Communication'** means the same as in the Electronic Communications Act 2000 (as that act may be amended, consolidated or re-enacted from time to time);

**'entitled by transmission'** in relation to a share, entitled as a consequence of the death or bankruptcy of a Member or of another event giving rise to a transmission of entitlement by operation of law;

**'Group'** the Company and any company which is a Subsidiary Undertaking of the Company from time to time;

**'holder'** in relation to a share, the Member whose name is entered in the Register as the holder of that share;

**'Listing Rules'** where the Company's shares are listed on the Official List, the latest edition of 'The Listing Rules' issued by the London Stock Exchange under section 142 of the Financial Services Act 1986 or where the Company's shares are admitted to trading on the Alternative Investment Market of the London Stock Exchange, the AIM rules issued by the London Stock Exchange; **'London Stock Exchange'** London Stock Exchange plc; **'Member'** a member of the Company;

**'Month'** calendar month;

**'Office'** the registered office of the Company from time to time;

**'Person with mental disorder'** a person who is, or may be, suffering from mental disorder and either:

he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or

an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a guardian, receiver, curator bonis or other person to exercise powers with respect to his property or affairs;

**'Prescribed Rate'** an annual rate of interest equal to 2 per cent above the base lending rate (or any equivalent or successor lending rate) published from time to time by the National Westminster Bank PLC in London being the base lending rate prevailing at the close of business in London on the date immediately preceding the day on which such rate fails to be determined;

**'recognised person'** a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange which is designated for the purposes of section 185(4) of the Act;

**'Register'** the register of Members;

**'Seal'** the common seal of the Company and, as appropriate, any official or securities seal that the Company has or may be permitted to have under the Statutes;

**'Secretary'** 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;

**'Statutes'** the Act and the Companies Act 1989 and the Uncertificated Securities Regulations 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;

**'Sterling'** the lawful currency of the United Kingdom;

**'Subsidiary Undertaking'** a subsidiary undertaking of the Company which is required by the Statutes to be included in consolidated group accounts of the Company;

**'Uncertified Securities Regulations'** Uncertified Securities Regulations 1995 (SI 1995 No. 95/3272) including any modification of them or any regulations in substitution of them made under section 207 of the Companies Act 1989 and for the time being in force;

**'United Kingdom'** Great Britain and Northern Island;

**2.2** In these Articles, unless the context otherwise requires -

**2.2.1** references to persons include references to natural persons and corporations;

- 2.2.2** references to a share being in uncertified form are references to that share being an uncertificated unit of a security;
- 2.2.3** words and expressions defined in the Statutes shall bear the same meaning in these Articles (but excluding any statutory manufacturers of the Statutes not in force at the date of these Articles and words and expressions expressly defined in these Articles).
- 2.3** In these Articles:
- 2.3.1** the headings are included for convenience only and do not affect the construction of these Articles;
- 2.3.2** words denoting the singular include the plural and vice versa; and
- 2.3.3** words denoting one gender include each gender and all other genders.
- 2.4** Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose and, where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.

## **SHARE CAPITAL**

### **3 AUTHORISED SHARE CAPITAL<sup>1</sup>**

- 3.1** The authorised share capital of the Company at the date of the adoption of this Article 3 is £11,021,062.33 divided into 86,881,838,777 ordinary shares of 0.01p each ('Ordinary Shares') and 2,592,087,167 deferred shares of 0.09p each ('Deferred Shares').
- 3.2** The special rights and restrictions attaching to the Deferred Shares shall be as follows:
- 3.2.1** as regards voting:

the Deferred Shares shall not entitle the holders thereof to receive notice of or attend or vote at any general meeting of the Company;

**3.2.2** as regards income:

the holders of the Deferred Shares shall have no right to receive any dividend or other distribution;

**3.2.3** as regards return of capital:

the Deferred Shares shall on a return of capital or on a winding up or otherwise entitle the holders thereof only to the repayment of the amounts paid up on such shares after the repayment of the capital paid up on the Ordinary Shares and the payment of £100,000 on each such ordinary share but the holders of Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company;

**3.2.4** as regards transfers:

(aa) the Company is authorised at any time to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer thereof and/or an agreement to transfer the same, without making any payment to the holders thereof and persons so entitled, to such person(s) as the Company may determine;

(bb) pending any such transfer, not to issue certificates for the New Deferred Shares;

**3.2.5** as regards variation of rights:

none of

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<sup>1</sup> Articles 3.1 to 3.2.6 (inclusive) were inserted in substitution for the previous article 3 by a special resolution passed on 24<sup>th</sup> June 2003.

- (aa) the passing by the Company of any resolution for a reduction of capital involving the cancellation of the Deferred Shares without any repayment of capital in respect thereof; or
- (bb) the passing by the Company of any resolution for any other reduction of capital, including a reduction of share premium account, or the obtaining by the Company or the making by the Court of an order confirming any such reduction of capital or share premium account or the making effective of such order; or
- (cc) the redemption or purchase by the Company in accordance with the provisions of the Companies Act 1985 of any of its own shares or other securities or the passing of a resolution to permit any such redemption or purchase,

shall constitute a variation or abrogation of the rights attaching to the Deferred Shares; and

**3.2.6** as regards further issues:

the rights conferred by the Deferred Shares shall not be varied or abrogated by the creation or issue of further shares ranking *pari passu* with or in priority to the Deferred Shares.

**4 POWER TO ATTACH CLASS RIGHTS**

Subject to the Statutes and without prejudice to any special rights attached to any class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached to them such special rights, conditions or restrictions as the Company may by ordinary resolution direct or failing such direction (but in the case of unclassified shares only) as the Board may determine. Where the equity share capital of the Company includes shares with different voting rights, the



designation of each class of shares other than those with the most favourable voting rights will include the words "restricted voting" or "limited voting" or "non voting".

## **5 AUTHORITY OF BOARD TO ALLOT SHARES**

Subject to the Act and to the authority contained in the resolution of the Company in general meeting creating or authorising the same, the Board has general and unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued share of the Company (whether forming part of the present capital or not) or right to subscribe for or convert any security into shares to such persons, at such times and generally on such terms and conditions as the Board may determine.

## **6 COMMISSIONS**

The Company may exercise all powers of paying commission and brokerage conferred or permitted by the Statutes. Subject to the Statutes and the rules of the London Stock Exchange (if any), any such commission or brokerage may be satisfied in cash or by the allotment of fully or partly paid shares in the Company or the grant of an option to call for an allotment of shares or any combination of such methods as the Board may determine.

## **7 TRUSTS NOT RECOGNISED**

Save as provided by these Articles or as ordered by a court of competent jurisdiction or otherwise required by law, no person shall be recognised (even when notice is given) by the Company as holding any share upon any trust and the Company shall not be bound by or required to recognise any equitable, contingent, future or partial interest in any share or any right whatsoever in respect of any share, other than an absolute right to the whole of the share in the registered holder.

**8 REDEEMABLE SHARES**

Subject to the Statutes, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or of the Member.

**9 PURCHASE OF OWN SHARES**

Subject to the Statutes, the Company may purchase its own shares (including any redeemable shares) or enter into such agreement (contingent or otherwise) in relation to the purchase of its own shares on such terms and in such manner as may be permitted by the Statutes.

**10 VARIATION OF CLASS RIGHTS**

Subject to the Statutes, the rights attached to any class of shares may be modified, varied or abrogated (a) in such manner (if any) as may be provided by those rights or (b) in the absence of provision, either with the consent in writing of the holders of at least three fourths in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class and then only subject to the provisions of section 127 of the Act. The rights attached to any class of share are not, unless otherwise expressly provided by these Articles or in the rights attaching to the shares of that class, deemed to be modified, varied or abrogated by the creation or issue of further shares ranking equally with every other share of that class or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the Statutes and these Articles.

**11 CLASS MEETINGS**

A separate meeting for the holders of a class of shares shall be convened and conducted as nearly as possible in the same way as an extraordinary general meeting except that the necessary quorum (other than at an adjourned meeting) is 2 persons, present in person or by proxy, holding or representing by proxy at least one third in nominal value of the capital paid up on the issued shares of the class and, at an

adjourned meeting, one person holding shares of the class in question present in person or by proxy and any holder of shares of the class in question present in person or by proxy and entitled to vote at the meeting may demand a poll and shall be entitled on a poll to one vote for every share of that class of which he is the holder. No Member, other than a Director, is entitled to notice of a separate class meeting or to attend unless he is a holder of shares of that class and no vote may be given except in respect of a share of that class.

#### **SHARES IN UNCERTIFICATED FORM**

#### **12    SHARES WITH NO CERTIFICATES AND TRANSFER OF SHARES WITHOUT TRANSFER FORMS**

Subject to the provisions of the Statutes, the Company may issue shares, and other securities, which do not have certificates, may allow existing shares, and other securities, to be held without certificates and may allow any shares, or other securities, to be transferred without using a transfer form.

#### **13    ISSUE, HOLDING AND TRANSFER OF SHARES IN UNCERTIFICATED FORM**

- 13.1** Immediately upon any of the Company's shares becoming shares in uncertificated form, the Articles will only apply to those shares in so far as they are consistent with holding those shares in uncertificated form, transferring ownership of those shares by using a relevant system and any provisions of the Uncertificated Securities Regulations.
- 13.2** The Board has authority to lay down regulations which govern the issue, holding and transfer and, where appropriate, the mechanics of conversion and redemption of shares in uncertificated form and make any other provisions which the Board considers are necessary to ensure that the Articles are consistent with the Uncertificated Securities Regulations and with any rules or guidance of an operator of a relevant system under the Uncertificated Securities Regulations. These regulations will, if they say so, apply instead of the other provisions in the Articles relating to certificates and the transfer, conversion and redemption of shares and other securities

and any other provisions which are not consistent with the Uncertificated Securities Regulations.

## **SHARE CERTIFICATES**

### **14 RIGHT TO SHARE CERTIFICATE**

**14.1** Subject to the Statutes, a person (except a recognised person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) on becoming the holder of a share is entitled to receive within whichever is the earlier of (a) the time (if any) required by the Listing Rules and (b) 2 months after allotment (or such longer period as the terms of issue shall provide) or the lodgement of transfer, without charge, one certificate for all the shares of each class registered in his name. In the case of joint holders, the Company shall not be bound to issue more than one certificate to all the joint holders and delivery of a certificate to any one of joint holders shall be sufficient delivery to all of them. Where part of the shares comprised in a certificate are transferred, the Member transferring shall be entitled without payment to a certificate for his retained holding. Shares of different classes may not be included in the same certificate.

**14.2** Every certificate shall be issued under the Seal or bearing an imprint or representation of the Seal or such other form of authentication as the Board may determine having regard to the terms of issue and the rules of the UKLA (if any) and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount paid up on them.

**14.3** No Member shall be entitled to more than one certificate in respect of any one share held by him.

### **15 REPLACEMENT CERTIFICATES**

**15.1** Where a Member holds two or more certificates for shares of one class, the Board may at his request, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate.

- 15.2** At the request of a Member, the Board may cancel a certificate and issue two or more in its place (representing shares in such proportions as the Member may specify) on surrender of the original certificate and on payment of such reasonable sum as the Board may determine.
- 15.3** If any certificate is worn out, defaced, destroyed or lost, the Board may cancel it and issue a replacement certificate on such terms as to provision of evidence and indemnity (with or without security) and to payment of exceptional out of pocket expenses incurred by the Company in the investigation of that evidence and the preparation of that indemnity and security as the Board may decide, but otherwise without charge and, where it is worn out or defaced, on delivery up of the old certificate.

#### **CALLS ON SHARES**

#### **16 CALLS**

- 16.1** The Board may, subject to the provisions of these Articles and to any conditions of issue, from time to time make such calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) as it thinks fit and each Member shall (subject to receiving at least 14 Clear Days' notice specifying the time and place of payment) pay the amount of every call so made upon his shares to the Company at the time and place so specified.
- 16.2** A call may be made payable by instalments.
- 16.3** A call is deemed made as soon as the resolution of the Board authorising such call is passed and an entry in the minute book of a resolution of the Board making the call is conclusive evidence of the making of the call.
- 16.4** A call may be revoked or postponed in whole or in part as the Board may determine.

- 16.5** The joint holders of a share are jointly and severally liable to pay all calls in respect of the share. A person on whom a call is made remains liable to pay the amount called despite the subsequent transfer of the share in respect of which the call is made.

**17 INTEREST ON UNPAID CALLS**

If any amount in respect of any call or instalment of a call is not paid on or before the day appointed for payment, the person from whom the amount of the call or instalment is due shall pay interest on such amount at the Prescribed Rate from and including that date until but excluding the date of actual payment and all costs, charges and expenses that may have been incurred by reason of such non-payment. The Board may, if it thinks fit, waive payment of such interest or costs, charges or expenses in whole or in part.

**18 AMOUNTS DUE ON ALLOTMENT TREATED AS CALLS**

Any amount which by the terms of issue of a share is made payable upon allotment or at any fixed date whether on account of the nominal amount of the share or by way of premium, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment and, in case of non-payment, the provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such amount were a call duly made and notified.

**19 POWER TO DIFFERENTIATE**

The Board may, if it thinks fit, on the issue of shares differentiate between the holders of such shares as to the amount of calls to be paid and the time of payment of such calls.

**20 PAYMENT IN ADVANCE**

The Board may receive from any Member willing to advance the same, all or any part of the amounts uncalled and unpaid on shares held by him. The Board may pay interest on the amount paid in advance (until the same would, but for such advance,

become presently payable) not exceeding, without the consent of the Company in general meeting, the Prescribed Rate as may be agreed between it and such Member.

## **FORFEITURE**

### **21 NOTICE IF CALL NOT PAID**

If a Member fails to pay in full any call or instalment of a call on or before the day appointed for payment, the Board may serve a notice on him or on a person entitled by transmission to the share in respect of which the call was made requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and all costs, charges and expenses incurred by the Company by reason of such non-payment.

### **22 SHARES LIABLE TO BE FORFEITED**

The notice shall name a further day (not being less than 14 Clear Days' from the date of service of the notice) on or before which, and the place where, the 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.

### **23 FORFEITURE**

If the notice referred to in the previous Article is not complied with, any share in respect of which it has been given may, at any time before payment required by the notice has been made, be forfeited by a resolution of the Board. Such forfeiture shall include all dividends declared or other amounts payable in respect of the forfeited share and not actually paid before forfeiture.

### **24 NOTICE AFTER FORFEITURE**

When a share has been forfeited, the Company shall serve notice of the forfeiture on the person who was before forfeiture the holder of the share or the person entitled by transmission to the share but no forfeiture is invalidated by an omission to give notice. An entry of the fact and date of forfeiture shall be made in the Register.

## **25 DISPOSAL OF FORFEITED SHARE**

Subject to the provisions of the Statutes, a forfeited share and all rights attaching to it shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was its holder before such forfeiture or to any other person on such terms and in such manner as the Board shall think fit. At any time before a sale, re-allotment or disposal, the forfeiture may be cancelled on such terms as the Board may think fit. The Board may, if necessary, authorise some person to execute an instrument of transfer of a forfeited share to the transferee and may receive the consideration (if any) for the share on its disposal and may register the transferee as the holder of the share.

## **26 ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

A Member whose shares have been forfeited shall cease to be a Member in respect of such shares and shall surrender to the Company the certificate for the forfeited shares. He remains liable to pay and shall immediately pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest from the time of forfeiture until payment at the Prescribed Rate.

## **27 EVIDENCE OF FORFEITURE**

A statutory declaration in writing that the declarant is the Secretary or a Director and that a share has been forfeited on a date stated in the declaration is conclusive evidence of the facts stated in the declaration as against all persons claiming to be entitled to the share and such declaration shall (subject to the execution of an instrument of transfer if necessary) constitute good title to the share. The person to whom the share is disposed of shall be registered as the holder of the share and is not bound to see to the application of the purchase money (if any) and his title to the share is not affected by any irregularity in or invalidity of the proceedings with reference to the forfeiture or disposal of the share.



**28 SURRENDER**

The Board may accept a surrender of any share liable to be forfeited under this Article and in that case references in the Articles to forfeiture shall include surrender.

**LIEN**

**29 LIEN ON SHARES NOT FULLY PAID**

The Company has a first and paramount lien on every share (not being a share which is fully paid up) registered in the name of any Member, either alone or jointly with any other person, for an amount payable in respect of the share, whether the due date for the payment has arrived or not. The lien extends to all dividends from time to time declared or other moneys payable in respect of the share but the Board may at any time declare any share to be exempt, in whole or in part, from the provisions of this Article. Unless otherwise agreed with the transferee, the registration of a transfer of a share operates as a waiver of the Company's lien (if any) on that share.

**30 ENFORCEMENT OF LIEN BY SALE**

For the purposes of enforcing the lien the Company may sell, in such manner as the Board thinks fit, any share on which the Company has a lien, if the due date for payment of the relevant amounts has arrived and payment is not made within 14 Clear Days after a notice in writing, stating and demanding payment of the amounts presently payable and giving notice of intention to sell in default, has been given to the holder of the share or the person entitled by transmission to the share. To give effect to a sale, the Board may authorise a person to execute an instrument of transfer of shares in the name and on behalf of the holder or the person entitled by transmission to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and his title to the share is not affected by any irregularity in or invalidity of the proceedings connected with the sale.

### **31 APPLICATION OF PROCEEDS OF SALE**

The net proceeds of a sale effected by the preceding Article, after payment of the costs of the sale, shall be applied in or towards payment or satisfaction of the debt or liability in respect of which the lien exists. Any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and on surrender to the Company for cancellation of the certificate for the shares sold or the provision of an indemnity (with or without security) as to any lost or destroyed certificate required by the Board) be paid to the holder of or the person entitled by transmission to the shares immediately prior to the sale.

### **TRANSFER OF SHARES**

### **32 FORM OF TRANSFER**

Subject to these Articles, any Member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in such other form as the Board may approve and the instrument must be signed by or on behalf of the transferor and (except in the case of a share which is fully paid up) by or on behalf of the transferee but need not be under seal. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of it.

### **33 RIGHT TO REFUSE REGISTRATION**

Subject to Article 42, the Board may, in its absolute discretion and without assigning any reason, refuse to register a transfer of any share (provided that the refusal does not prevent dealings from taking place on an open and proper basis) or renunciation of a renounceable letter of allotment unless all of the following conditions are satisfied:

- 33.1** it is in respect of a share which is fully paid up;
- 33.2** it is in respect of only one class of shares;

- 33.3 it is in favour of a single transferee or renouncee or not more than four joint transferees or renouncees;
- 33.4 it is duly stamped (if required);
- 33.5 it is not in favour of a minor, infant, bankrupt or Person with mental disorder; and
- 33.6 it is delivered for registration to the Office or such other place as the Board may decide accompanied by the certificate for the shares to be transferred (save in the case of a transfer by a recognised person to whom no certificate was issued or in the case of a renunciation) and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

#### **34 NOTICE OF REFUSAL TO REGISTER**

If the Board refuses to register a transfer of any share it shall within whichever is the earlier of (a) the time required by the Listing Rules and (b) 2 months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

#### **35 FEES ON REGISTRATION**

No fee shall be charged for the registration of a transfer or the renunciation of a renounceable letter of allotment or other document relating to or affecting the title to any share or for making any entry in the Register affecting the title to any share.

#### **36 SUSPENSION OF REGISTRATION AND CLOSING OF REGISTER**

Subject to the provisions of section 358 of the Act, the registration of transfers may be suspended at such times and for such periods as the Board may determine but the Register shall not be closed for more than 30 days in any year.

**37      RETENTION OF INSTRUMENTS OF TRANSFER**

Subject to the following Article, all instruments of transfer which are registered may be retained by the Company but any instrument of transfer which the Board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it.

**38      DESTRUCTION OF DOCUMENTS**

- 38.1** The Company may destroy (a) all instruments of transfer of shares and documents constituting the renunciation of an allotment of shares and other supporting documents which have been registered at any time after the expiration of six years from the date of registration; (b) all dividend mandates or any variation or cancellation of them or notifications of change of address or name at any time after the expiration of two years from the date of recording them; (c) all cancelled share certificates at any time after the expiration of one year from the date of cancellation; and (d) any other document on the basis of which any entry in the Register is made at any time after the expiration of six years from the date an entry was made in the Register. It shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every other document destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company.
- 38.2** The provisions of this Article shall apply only to the destruction of documents in good faith and without notice of any claim to the Company (regardless of the parties to the claim) that the document might be relevant to the claim.
- 38.3** Nothing contained in this Article imposes on the Company any liability in respect of the destruction of any such document earlier than provided for in this Article or in any case where the conditions of this Article are not fulfilled.

- 38.4** References in this Article to the destruction of any document include references to its disposal in any manner.

## **TRANSMISSION OF SHARES**

### **39 ON DEATH**

If a Member dies, the survivor or survivors (where the deceased was a joint holder) and the executors or administrators of the deceased (where he was a sole or only surviving holder) shall be the only persons recognised by the Company as having any title to his interest in the shares. Nothing in these Articles releases the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

### **40 ELECTION OF PERSON ENTITLED BY TRANSMISSION**

- 40.1** Any person becoming entitled by transmission to a share may, upon such evidence as to title being provided as the Board may require, elect either to be registered himself as holder of the share or have a person nominated by him registered as holder. All the provisions of these Articles relating to the transfer of shares apply to any such notice or transfer as if the death or bankruptcy or other event giving rise to transmission had not occurred and the notice or transfer was executed by such Member.
- 40.2** If any person becoming entitled by transmission to a share elects to be registered himself he shall give notice in writing to the Company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share to that person.
- 40.3** The Board may give notice requiring a person to make the election referred to in this Article. If that notice is not complied with within 60 days the Board may withhold payment of all dividends and other amounts payable in respect of the share until notice of election has been made.

#### **41 RIGHTS ON TRANSMISSION**

Save as otherwise provided by these Articles, a person becoming entitled by transmission to a share shall be entitled to receive, and may give a good discharge for, all benefits arising or accruing on or in respect of the share and the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the person entitled by transmission is not entitled to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a Member in respect of the share. Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share cease.

#### **DISCLOSURE OF INTERESTS IN SHARES**

#### **42 SANCTIONS FOR FAILURE TO DISCLOSE INTEREST IN SHARES**

Where notice is served by the Company under section 212 of the Act (a 'section 212 notice') on a Member, or another person whom the Company knows or has reasonable cause to believe to be interested in shares held by that Member, and the Member or other person has failed in relation to any shares (the 'default shares', which expression includes any shares issued after the date of the section 212 notice in right of those shares) to give the Company the information required within 14 days from the date of service of the section 212 notice, the following sanctions apply, unless the Board otherwise decides:

- 42.1** the Member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll; and
- 42.2** where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:

**42.2.1** a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the Member is not entitled to elect, pursuant to Article 151, to receive shares instead of a dividend; and

**42.2.2** no transfer of any of the default shares shall be registered unless (1) the transfer is an excepted transfer or (2) the Member is not himself in default in supplying the information required and the Member proves to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.

#### **43 REMOVAL OF SANCTIONS**

The sanctions under Article 42 cease to apply 7 days after the earlier of receipt by the Company of:

**43.1** notice of registration of an excepted transfer, in relation to the default shares the subject of the excepted transfer; and

**43.2** all information required by the section 212 notice, in a form satisfactory to the Board, in relation to any default shares.

#### **44 NOTICE TO PERSON OTHER THAN A MEMBER**

Where, on the basis of information obtained from a Member in respect of a share held by him, the Company issues a section 212 notice to another person, it shall at the same time send a copy of the section 212 notice to the Member, but the accidental omission to do so, or the non-receipt by the Member of the copy, does not invalidate or otherwise affect the application of Article 42.

#### **45 INTEREST IN SHARES, FAILURE TO GIVE INFORMATION AND EXCEPTED TRANSFERS**

**45.1** For the purpose of Articles 42 to 44:

- 45.1.1** 'interested' has the same meaning as that set out in section 212 of the Act;
- 45.1.2** reference to a person having failed to give the Company the information required by a section 212 notice, or being in default in supplying such information, includes (a) reference to his having failed or refused to give all or any part of it and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
- 45.1.3** 'excepted transfer' means, in relation to shares held by a Member (a) a transfer pursuant to acceptance of a takeover offer for the Company (within the meaning of section 428(1) of the Act); or (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services Act 1986) or another stock exchange outside the United Kingdom on which shares in the capital of the Company are normally traded; or (c) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the Member and with any other person appearing to be interested in the shares.
- 45.2** The provisions of Articles 42 to 45 are in addition and without prejudice to the provisions of the Statutes.

## **ALTERATIONS TO CAPITAL**

### **46 INCREASE, CONSOLIDATION, SUB-DIVISION AND CANCELLATION**

The Company may by ordinary resolution:

- 46.1** increase its share capital by a sum to be divided into shares of an amount prescribed by the resolution;
- 46.2** consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;



- 46.3** cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
- 46.4** subject to the Statutes, sub-divide all or any of its shares into shares of a smaller amount and may by the resolution determine that the shares resulting from such sub-division may have any preferred or other special rights or be subject to any restrictions, as compared with the others.

#### **47 REDUCTION OF CAPITAL**

Subject to the Statutes and to the rights attached to existing shares, the Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner.

#### **48 FRACTIONS**

If, as the result of consolidation and division or sub-division of shares, Members become entitled to fractions of a share, the Board may on behalf of the Members deal with the fractions as it thinks fit. In particular, the Board may:

- 48.1** sell fractions of a share to a person (including, subject to the Statutes, to the Company) for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion amongst the persons entitled (except that if the amount due to a person is less than £3, or such other sum as the Board may decide, the sum may be retained for the benefit of the Company). To give effect to a sale the Board may authorise a person to execute an instrument of transfer of shares to the purchaser or his nominee and may cause the name of the purchaser or his nominee to be entered in the Register as the holder of the shares. The purchaser is not bound to see to the application of the purchase money and the title of the transferee to the shares is not affected by an irregularity or invalidity in the proceedings connected with the sale; or

**48.2** subject to the Statutes, issue to a Member credited as fully paid up by way of capitalisation the minimum number of shares required to round up his holding of shares to a number which, following consolidation and division or sub-division, leaves a whole number of shares (such issue being deemed to have been effected immediately before consolidation or sub-division, as the case may be). The amount required to pay up those shares may be capitalised as the Board thinks fit out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and applied in paying up in full the appropriate number of shares. A resolution of the Board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to Article 153. In relation to the capitalisation the Board may exercise all the powers conferred on it by Article 153 without an ordinary resolution of the Company.

#### **GENERAL MEETINGS**

##### **49 ANNUAL GENERAL MEETING**

An annual general meeting of the Company shall be held in each year (in addition to any other meetings which may be held in that year) and such meeting shall be specified as the annual general meeting in the notice calling it. Not more than fifteen months shall elapse between the date of one annual general meeting and the date of the next. Subject to the provisions of this Article and of the Statutes, the annual general meeting shall be held at such time and place as the Board shall appoint.

##### **50 EXTRAORDINARY GENERAL MEETING**

All general meetings other than annual general meetings are called extraordinary general meetings.

##### **51 CONVENING OF EXTRAORDINARY GENERAL MEETINGS**

The Board may convene an extraordinary general meeting whenever it thinks fit. The Board must convene an extraordinary general meeting on receipt of a requisition in

accordance with the Statutes or, in default, an extraordinary general meeting may be convened by such requisitionists, as provided by the Statutes. If at any time there are not sufficient Directors capable of acting to form a quorum of the Board any Director or any two Members may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board. In the case of an extraordinary general meeting convened on a requisition or by requisitionists, no business other than that stated in the requisition or proposed by the Board shall be transacted.

## **52 LENGTH AND FORM OF NOTICE**

At least 21 Clear Days' notice of every annual general meeting and of every extraordinary general meeting at which it is proposed to pass a special resolution and at least 14 Clear Days' notice of every other extraordinary general meeting shall be given, in the manner set out below, to such Members as are, under the provisions of these Articles, or the terms of issue of shares, entitled to receive such notices from the Company and to the Auditors. Every notice of meeting shall specify whether the meeting is an annual general meeting or an extraordinary general meeting, the place, date and time of the meeting, in the case of special business, the general nature of such business, if a meeting is convened to pass a special or extraordinary resolution, the intention to propose the resolution as a special or extraordinary resolution (as the case may be) and shall state, with reasonable prominence, that a Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a Member.

References to notices in respect of general meetings of the Company include notices sent by Electronic Communication and notices published on a website in accordance with the Statutes. Where the notice of meeting is published on a web-site in accordance with Article 159, it shall continue to be published in its entirety in the same place on that web-site from the date of the notification given under Article 159 until the conclusion of the meeting to which the notice relates.

### **53 MEETING CALLED ON SHORT NOTICE**

A meeting, although called by shorter notice than that specified in the preceding Article, is deemed to be duly called if it is so agreed:

- 53.1** in the case of an annual general meeting, by all the Members entitled to attend and vote at the meeting; and
- 53.2** in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving a right to attend and vote at the meeting.

### **54 OMISSION TO SEND NOTICE AND IRREGULARITIES IN PUBLICATION OF NOTICES**

- 54.1** The accidental omission to give notice of any meeting or, in cases where it is sent out with the notice, an appointment of proxy to, or the non-receipt of either by, any person entitled to receive notice does not invalidate any resolution passed or proceedings held at that meeting.
- 54.2** If a notice of any meeting published on a web-site in accordance with Article 159 is accidentally published in different places on the same web-site or published for part only of the period from the date of the notification given under Article 159 until the conclusion of the meeting to which the notice relates, any resolution passed or the proceedings at such meeting are will not be invalidated.

### **55 SPECIAL BUSINESS**

All business that is transacted at an extraordinary general meeting is deemed special and all business that is transacted at an annual general meeting shall also be deemed special, with the exception of declaring a dividend, the receipt, consideration and adoption of the accounts and the reports of the Directors and the Auditors and any other documents accompanying or annexed to the balance sheet, the appointment of

Directors and the Auditors and the fixing of, or determination of the manner of fixing, the remuneration of the Auditors.

## **PROCEEDINGS AT GENERAL MEETINGS**

### **56 QUORUM**

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Two persons entitled to vote, each being a Member or a proxy for a Member, shall be a quorum. The absence of a quorum does not prevent the appointment of a chairman in accordance with these Articles, which is not treated as part of the business of the meeting.

### **57 CHAIRMAN**

The chairman of the Board or, in his absence, the deputy chairman shall preside at every general meeting; but if there is no chairman or deputy chairman or neither is willing or able to preside or if neither is present within 15 minutes after the time fixed for the start of the meeting, the Directors present shall choose a Director or, if only one Director is present and willing to act, he shall be chairman. In default, the Members present in person or by proxy shall choose one of their number to be chairman of the meeting.

### **58 QUORUM NOT PRESENT**

**58.1** If within 15 minutes (or such longer period as the chairman in his absolute discretion may decide) from the time fixed for the start of a general meeting a quorum is not present, the meeting, if convened by or on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such time and place as the chairman of the meeting may decide.

**58.2** At an adjourned meeting if a quorum is not present within 15 minutes (or such longer period as the chairman in his absolute discretion may decide) from the time fixed for the start of the meeting the adjourned meeting shall be dissolved.

- 58.3** The Company shall give not less than 7 Clear Days' notice of any meeting adjourned for the lack of a quorum and the notice shall state the quorum requirement.

**59 ADJOURNED MEETING**

- 59.1** The chairman of the meeting may, with the consent of the meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place or for an indefinite period. Without prejudice to any other power which he may have under the provisions of the Articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he decides that it has become necessary to do so in order to (1) secure the proper and orderly conduct of the meeting or (2) give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or (3) ensure that the business of the meeting is properly dealt with.
- 59.2** Whenever a meeting is adjourned for 30 days or more or for an indefinite period, at least 7 Clear Days' notice, specifying the place, date and time of the adjourned meeting shall be given as in the case of an original meeting and the general nature of the business to be transacted.
- 59.3** Except in the circumstances set out in Articles 58.3 and 59.2, no Member shall be entitled to any notice of an adjournment or of the business to be transacted at an adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

**60 ACCOMMODATION OF MEMBERS AT MEETING**

If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all Members entitled and wishing to attend, the meeting is duly constituted and its proceedings valid if the chairman is satisfied that adequate facilities are available to ensure that a Member who is unable to be

accommodated is able to (1) participate in the business for which the meeting has been convened and (2) hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communication equipment or otherwise), whether in the meeting place or elsewhere, and (3) be heard and seen by all other persons present in the same way.

#### **61 SECURITY**

The Board may make any arrangement and impose any restriction it considers appropriate to ensure the security of a meeting including, without limitation, the searching of a person attending the meeting and the restriction of the items of personal property that may be taken into the meeting place. The Board is entitled to refuse entry to a meeting to a person who refuses to comply with these arrangements or restrictions.

#### **62 ORDER OF MEETING**

The chairman shall take such action as he thinks fit to promote the orderly conduct of general meetings. The decision of the chairman on points of order, matters of procedure or arising incidentally out of the business of the meeting shall be final and conclusive, as shall be his determination, in good faith, whether any point or matter is of such a nature.

#### **63 AMENDMENT OF RESOLUTIONS**

If an amendment proposed to a resolution under consideration is ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution are not invalidated by an error in his ruling.

#### **64 MEMBERS' RESOLUTION IN WRITING**

A resolution in writing or contained in an Electronic Communication executed by or on behalf of all the Members who would have been entitled to vote on it as if it had been passed at a general meeting at which he was present is as valid and effective as a

resolution passed at a general meeting duly convened and held and may consist of several documents in the same form or be contained in several Electronic Communications each duly executed by or on behalf of one or more Members. If the resolution in writing is described as a special resolution or as an extraordinary resolution, it has effect as such.

## **VOTING**

### **65 METHOD OF VOTING**

- 65.1** At a general meeting, a resolution put to the vote of the meeting is decided on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is demanded by:
- 65.1.1** the chairman of the meeting; or
  - 65.1.2** not less than 5 Members present in person or by proxy and entitled to vote at the meeting; or
  - 65.1.3** a Member or Members present in person or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or
  - 65.1.4** by a Member or Members present in person or by proxy holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- 65.2** Unless a poll is demanded and the demand is not withdrawn a declaration by the chairman of the meeting that a resolution has, on a show of hands, 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 minute book of the Company, is conclusive evidence of the fact without proof of the votes recorded in favour of or against such resolution.



## **66 PROCEDURE ON A POLL**

- 66.1** 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 at such time (not being more than 30 days from the date of the meeting or the adjourned meeting at which such poll is demanded) and place and in such manner as the chairman of the meeting directs and the result of the poll is deemed to be the resolution of the meeting at which the poll is demanded. 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 7 Clear Days' notice shall be given specifying the time and place at which the poll is to be taken.
- 66.2** If a poll is properly demanded, it shall be taken in such manner as the chairman directs. He may appoint scrutineers, who need not be Members, and may fix a time and place for declaring the result of the poll. The result of the poll is deemed to be the resolution of the meeting at which the poll is demanded.
- 66.3** The demand for a poll may be withdrawn but only with the consent of the chairman. A demand withdrawn in this way validates the result of a show of hands declared before the demand is made. In the case of a poll demanded before the declaration of the result of a show of hands, the meeting shall continue as if the demand had not been made.
- 66.4** The demand for a poll (other than on the election of the chairman or on a question of adjournment) does not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

## **67 CASTING VOTE**

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting is entitled to a further or casting vote in addition to the votes to which he may be entitled as a Member.

## **68 OBJECTION TO AND ERROR IN VOTING**

- 68.1** Any objection raised to the qualification of any voter, or to the counting of or failure to count any vote, does not invalidate the decision of the meeting on any resolution unless it is raised at the meeting or adjourned meeting at which the vote objected to is tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and only invalidates the decision of the meeting on any resolution if the chairman decides that the same is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman on such matters is final and conclusive.

## **69 VOTES OF MEMBERS**

- 69.1** Subject to any special terms as to voting upon which any share may be issued, or may be held, and subject to the provisions of these Articles, on a show of hands every Member present in person and entitled to vote shall have one vote and on a poll every Member present in person or by proxy and entitled to vote shall have one vote for every share of which he is the holder.
- 69.2** If any Member is a Person with mental disorder or is otherwise incapacitated he may vote, whether on a show of hands or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the Court either personally or by proxy if such evidence as the Board may reasonably require of the authority of the person claiming to exercise the right to vote is received at the Office (or other place or address specified in accordance with the Articles for the receipt of appointments of proxy) within the time limits prescribed by the Articles for the receipt of appointments of proxy for use at the meeting or adjourned meeting or poll at which such person is to vote.
- 69.3** If two or more persons are jointly entitled to 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 holders of the share and seniority is determined by the order in which the names stand in the Register.

## **70 RESTRICTION ON VOTING RIGHTS**

No Member is entitled to be present or to be counted in the quorum or vote, either in person or by proxy, at any general meeting or at any separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll, unless all calls or other moneys due and payable in respect of the share have been paid. This restriction ceases on payment of the amount outstanding and all costs, charges and expenses incurred by the Company by reason of non-payment.

## **71 VOTING BY PROXY**

A proxy need not be a Member and a Member may appoint one or more than one person to act as his proxy. On a poll, votes may be given in person or by proxy and a Member entitled to more than one vote need not, if he votes, use all of his votes or cast all the votes he uses in the same way. Receipt of an appointment of proxy does not prevent a Member from attending and voting in person at the meeting or an adjournment or on a poll. An appointment of proxy is (unless the contrary is stated in it) valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. An appointment of proxy is valid for 12 months from the date of execution or in the case of an appointment of proxy delivered in an electronic form, for the duration specified by the Board therein.

## **72 APPOINTMENT OF MORE THAN ONE PROXY**

If a Member appoints more than one person to act as his proxy the appointment of each proxy shall specify the shares held by the Member in respect of which each proxy is to vote and no Member may appoint more than one proxy (save in the alternate) to vote in respect of any one share held by that Member. When two or more valid but differing appointments of proxy are delivered for the same share for use at the same meeting, the one which is last validly delivered (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share.

### **73 EXECUTION OF PROXY**

The appointment of a proxy, including by way of Electronic Communication, shall be in any usual form or in such other form as the Board may approve. With the exception of an appointment of proxy received in an Electronic Communication, the appointment of proxy shall be executed by the appointor, or his attorney duly authorised in writing, or if the appointor is a corporation, under its seal or under the hand of its officer or attorney or other person duly authorised to execute such appointment. The Directors may require evidence of authority of such officer or attorney. Subject to the Statutes, the Board may accept the appointment of proxy received in an Electronic Communication on such terms and subject to such conditions as it considers fit.

### **74 PROXY VALID THOUGH AUTHORITY REVOKED**

A vote given or poll demanded by a proxy or authorised representative of a company is valid notwithstanding termination of his authority unless notice in writing of the termination is received at the Office (or other place specified in accordance with the Articles for the receipt of appointments of proxy or, where the appointment of the proxy was contained in an Electronic Communication, at the Address at which such appointment was duly received) one hour at least before the time fixed for holding the meeting or adjourned meeting at which the vote is given or (where the poll is taken other than on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

### **75 PROXY CAN DEMAND A POLL**

The appointment of a proxy is deemed (unless the contrary is stated in it) to confer authority to demand or join in demanding a poll and to vote on a resolution or other business which may properly come before the meeting or meetings for which it is given as the proxy thinks fit.

## **76 DEPOSIT OF PROXY**

The appointment of a proxy and the power of attorney or other authority, if any, under which it is executed, or a copy of it notarially certified, or certified in some other way approved by the Board, shall be:

**76.1** in the case of an appointment of proxy -

**76.1.1** which is in writing, deposited at such place as may be specified for that purpose in the notice convening the meeting or in the appointment of proxy or if no place is so specified at the Office at least 48 hours before the time appointed for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the appointment proposes to vote; or

**76.1.2** which is contained in an Electronic Communication, where an Address has been specified by the Company for the purpose of receiving Electronic Communications:

**76.1.2.1** in the notice convening the meeting; or

**76.1.2.2** in any appointment of proxy sent out by the Company in relation to the meeting; or

**76.1.2.3** in any invitation contained in an Electronic Communication to appoint a proxy issued by the Company in relation to the meeting,

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; or

**76.2** in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is demanded, received as required by Article 76.1 not less than 24 hours before the time appointed for the holding of the adjourned meeting or the taking of the poll; or

- 76.3** in the case of a meeting adjourned for less than 48 hours or in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, delivered at the adjourned meeting or at the meeting at which the poll was demanded to the chairman or to the Secretary or to a Director.

An appointment of proxy not deposited, received or delivered in accordance with this Article is invalid.

#### **77 SENDING APPOINTMENT OF PROXY**

Subject to the Statutes, the Board may, at the expense of the Company, send by post or by Electronic Communication, to an Address for the time being notified by the relevant Member to the Company for the purposes of such Electronic Communication, or otherwise to all or none of the persons entitled to receive notice of and to vote at a meeting, appointments of proxy (with or without provision for their return prepaid) either in blank or nominating in the alternative any one or more of the Directors or the chairman of the meeting or any other person or persons. If sent the appointment shall provide for two-way voting (without prejudice to a right to abstain) on all resolutions set out in the notice of meeting.

#### **78 COMPANY ACTING BY AUTHORISED REPRESENTATIVE**

A company which is a Member may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meeting of the Company or at any separate meeting of the holders of a class of shares and such representative shall be entitled to exercise the same powers on behalf of the company which he represents as that company could exercise if it were an individual Member. The company is, for the purposes of the Articles, deemed to be present in person at a meeting if the representative is present. All references to attending and voting in person shall be construed accordingly. A Director, the Secretary or any other person authorised for the purpose by the Secretary may require the representative to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers.

## **APPOINTMENT OF DIRECTORS**

### **79 POWER OF COMPANY TO APPOINT DIRECTORS**

Subject to the Articles, the Company may, by ordinary resolution, appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the Board, but the total number of Directors may not exceed a maximum number fixed in accordance with the Articles.

### **80 NUMBER OF DIRECTORS**

Unless and until otherwise determined by the Company by ordinary resolution the number of Directors is not subject to a maximum but must not be less than 2.

### **81 POWER OF THE BOARD TO APPOINT DIRECTORS**

The Board may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the Board, but the total number of Directors may not exceed a maximum number fixed in accordance with the Articles. A Director so appointed shall hold office only until the dissolution of the annual general meeting following next after his appointment, unless he is reappointed during the meeting. A Director so retiring shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

### **82 NO SHARE QUALIFICATION**

A Director shall not require a share qualification, but shall nevertheless be entitled to attend and speak at any general meeting of, or at any separate meeting of the holders of any class of shares in, the Company.

## **EXECUTIVE DIRECTORS**

### **83 APPOINTMENT OF EXECUTIVE DIRECTORS**

The Board may appoint one or more of its body to hold executive office, including the office of managing or joint or assistant managing director. Any such

appointments shall be on such terms (including remuneration) and for such period as the Board may determine, subject to the Statutes.

#### **84      TERMINATION OF EXECUTIVE OFFICE**

The appointment of any Director to any executive office may be terminated by the Board, without prejudice to any claim he may have for damages for breach of contract.

#### **85      POWERS OF EXECUTIVE DIRECTOR**

The Board may delegate to a Director holding any executive office any of the powers, authorities and discretions exercisable by the Board for such time and on such terms and conditions as it thinks fit. The Board may revoke or alter the terms and conditions of the delegation and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the executive Director.

#### **ROTATION, RETIREMENT AND REMOVAL OF DIRECTORS**

#### **86      VACATION OF OFFICE BY DIRECTOR**

The office of a Director shall be vacated if:

- 86.1**    he ceases to be a Director by virtue of any provision of the Statutes, is removed from office pursuant to any provision of the Articles or he becomes prohibited by law from being a Director; or
- 86.2**    he becomes bankrupt, has an interim receiving order made against him or makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or
- 86.3**    he is a Person with mental disorder and the Board resolves that his office be vacated; or



- 86.4** he resigns by notice in writing to the Company delivered to the Secretary at the Office or tendered at a Board meeting; or
- 86.5** he does not attend any Board meetings for a period of 6 months; or
- 86.6** he is removed from office by notice in writing served on him executed by or on behalf of all the other Directors which removal shall be deemed to be an act of the Company and shall have effect without prejudice to any claim he may have for damages for breach of contract.

A resolution of the Board declaring a Director to have vacated office under the terms of this Article is conclusive as to the fact and grounds of vacation stated in the resolution.

**87 NO RETIREMENT ON ACCOUNT OF AGE**

No person is incapable of being appointed a Director by reason of his having reached the age of 70 or any other age. Special notice is not required in connection with the appointment or approval of the appointment of such person. No Director is required to vacate his office because he has reached the age of 70 or any other age and section 293 of the Act does not apply to the Company.

**88 RETIREMENT BY ROTATION**

At each annual general meeting one third of the Directors who are subject to retirement by rotation or if their number is not 3 or a multiple of 3 then the number nearest to but not exceeding one third shall retire from office. If the number of Directors subject to retirement by rotation is fewer than 3, one of such Directors shall retire. If any one or more Directors were appointed or re-appointed three years or more prior to the annual general meeting, or were appointed or re-appointed at the third immediately preceding annual general meeting, he or they shall retire from office and shall be included in the number of Directors required to retire at the annual general meeting.

**89     DIRECTORS SUBJECT TO RETIREMENT**

Subject to the Statutes and the Articles, the Directors to retire by rotation at the annual general meeting in every year shall be in addition to any Director who wishes to retire and not to offer himself for reappointment and any Director to retire pursuant to Article 81. The Directors to retire by rotation shall be those Directors who have been longest in office since their last appointment or reappointment. As between 2 or more Directors who have been in office an equal length of time, the Directors to retire shall, in the absence of agreement, be selected from among them by lot. The Directors to retire on each occasion shall be determined on the basis of the composition of the Board at the start of business on the date of the notice convening the annual general meeting, disregarding a change in the number or identity of the Directors after that time but before the close of the meeting.

**90     POSITION OF RETIRING DIRECTOR**

A Director who retires at an annual general meeting, whether by rotation or otherwise, may, if willing to act, be reappointed. If he is not reappointed or deemed reappointed, he may retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

**91     DEEMED REAPPOINTMENT**

The Company, at the meeting at which a Director retires by rotation, may fill the vacated office and, if it does not do so, the retiring Director is, if willing, deemed reappointed, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the reappointment of such Director is put to the meeting and lost.

**92     ELIGIBILITY OF NEW DIRECTORS**

No person other than a Director retiring at the meeting is eligible for appointment or reappointment as a Director at any general meeting unless he is recommended by the Board for election, or, not less than 7 nor more than 42 days before the day appointed

for the meeting, notice in writing addressed to the Secretary at the Office has been given by a Member qualified to be present and vote at the meeting of his intention to propose such person for appointment or reappointment and notice in writing, signed by the person to be proposed, of his willingness to be appointed or reappointed .

**93 VOTING ON RESOLUTION FOR APPOINTMENT**

Every resolution of a general meeting for the appointment or reappointment of a Director shall relate to one named person and a single resolution for the appointment or reappointment of 2 or more persons as Directors is void, unless an ordinary resolution that the resolution is proposed in this way has first been agreed to by the meeting without any vote being given against it.

**94 REMOVAL BY ORDINARY RESOLUTION**

In addition to any power of the Company under the Statutes to remove a Director, the Company may by ordinary resolution remove any Director before the expiration of his period of office (without prejudice to a claim for damages for breach of contract) and may, subject to the Articles, by ordinary resolution appoint another Director, who is willing to act, in his place. A person appointed in place of a Director so removed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed or reappointed a Director.

**DIRECTORS' REMUNERATION, EXPENSES AND BENEFITS**

**95 DIRECTORS' FEES**

There shall be available to be paid out of the funds of the Company to the Directors as fees in each year an aggregate sum not exceeding £100,000 as the Board may determine, such sum to be divided among such Directors in such proportions as the Board may decide or, in default of agreement, equally. Any Director holding the office of director for part of a year shall, unless otherwise agreed, be entitled only to a proportionate part of such fee. The Company may by ordinary resolution increase the

amount of the fees payable under this Article. A fee payable pursuant to the provisions of this Article is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of the Articles and accrues from day to day.

**96 EXPENSES**

The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in the performance of their duties as Directors, including their expenses of travelling to and from meetings of the Board or committees of the Board or general meetings or separate meetings of the holders of a class of shares and any expenses incurred by them in obtaining independent professional advice.

**97 REMUNERATION OF EXECUTIVE DIRECTORS**

The remuneration of a Director appointed to hold employment or executive office in accordance with the Articles may be a fixed sum of money or in whole or in part by participation in profits or otherwise as the Board may determine and may be in addition to or instead of a fee payable to him for his services as Director pursuant to the Articles.

**98 ADDITIONAL REMUNERATION**

The Board may grant reasonable additional remuneration and expenses to any Director who, at the request of the Board, goes or resides abroad or renders any special or extra services to the Company, which may be paid by way of a lump sum, participation in profits or otherwise as the Board may determine.

**99 DIRECTORS' PENSIONS AND OTHER BENEFITS**

**99.1** The Board may establish, maintain, participate in or contribute to or procure the establishment or maintenance of, participation in or contribution to any pension, 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 or who have at any time been Directors of the Company or of any company which is or was a member of the Group or any of their predecessors in business (and for any member of his family, including a spouse or former spouse or a person who is or was dependent on him). Any Director or former Director shall be entitled to participate in and retain for his own benefit any such donations, gratuities, pensions, allowances, benefits or emoluments. The Board may arrange for this to be done by the Company either alone or in conjunction with any other person.

- 99.2** Subject to the Statutes, the Board may establish and maintain any employees' share scheme, share option or share incentive scheme and establish and (if any such scheme so provides) contribute to any scheme for the purchase by or transfer, allotment or issue to trustees of shares in the Company or its holding company to be held for the benefit of employees (including Directors) of the Company and lend money to such trustees or employees to enable them to purchase such shares.

#### **INTERESTS OF DIRECTORS**

##### **100 PERMITTED INTERESTS**

Subject to the Statutes and to Article 101, a Director, notwithstanding his office:

- 100.1** may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director and on such terms as to remuneration and otherwise as the Board may arrange. Any Director may act by himself or through his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services;
- 100.2** may enter into or otherwise be interested in a contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested either in

connection with his tenure of an office or place of profit and either as vendor, purchaser or otherwise;

**100.3** may be a director or other officer of or employed by or a party to a contract, transaction, arrangement or proposal with or be otherwise interested in a company promoted by the Company or in which the Company is otherwise interested;

**100.4** unless otherwise agreed, is not liable to account to the Company for any remuneration, profit or other benefit received by him by virtue of such office, employment, contract, arrangement, transaction or proposal and no such contract, arrangement, transaction or proposal is avoided on the grounds of any such interest or benefit.

#### **101 DECLARATION OF DIRECTOR'S INTEREST**

Without prejudice to the requirements of the Statutes, a Director who is in any way, directly or indirectly, interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first taken into consideration, if he knows his interest then exists, or, in any other case, at the next meeting of the Board after he knows that he is or has become interested. For the purposes of this Article, a general notice given to the Board by a Director to the effect that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, arrangement, transaction or proposal in which a specified person or class of persons is interested is a sufficient declaration of interest in relation to that contract, transaction, arrangement or proposal. An interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge is not treated as his interest.

#### **102 LIMITATIONS ON VOTING OF INTERESTED DIRECTOR**

Except as provided in this Article, a Director may not vote in respect of any contract, arrangement, transaction or proposal to which the Company is or is to be a party and

in which he is, to his knowledge, materially interested, directly or indirectly, otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. This prohibition does not apply to any resolution concerning any of the following matters namely:

- 102.1 the giving to him of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its Subsidiary Undertakings;
- 102.2 the giving to a third party of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its Subsidiary Undertakings for which he himself has assumed responsibility, in whole or in part, under a guarantee or indemnity or by the giving of security;
- 102.3 a contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its Subsidiary Undertakings for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- 102.4 a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise (**"relevant company"**), if he is not, directly or indirectly, the holder of or beneficially interested in one per cent. or more of a class of equity share capital of the relevant company or of the voting rights available to members of the relevant company or able to cause one per cent or more of those voting rights to be cast at his direction (and for the purposes of this Article, shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, shares comprised in a trust and in which the Director's interest is in reversion or is in remainder, if and so long as another person is entitled to receive the income from the trust, and shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder are disregarded);

- 102.5** a contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its Subsidiary Undertakings under which the Director benefits in a similar manner to the employees and which does not accord to any Director as such any privilege or benefit not accorded to the employees to whom it relates;
- 102.6** a contract, arrangement, transaction or proposal concerning the maintenance or purchase of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.

### **103 RESTRICTIONS ON VOTING**

A Director may not vote or be counted in the quorum on a resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or its termination) of 2 or more Directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each Director. In such cases each of the Directors concerned (if not otherwise debarred from voting under the Articles) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

### **104 MATERIALITY OF DIRECTOR'S INTEREST**

If any question arises at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in a quorum, the question shall be decided by a resolution of the remaining Directors or committee members present at the meeting and in the case of an equality of votes the chairman (unless he is the Director the materiality of whose interest or



entitlement to vote is in issue) shall have a second or casting vote which shall be conclusive and binding.

#### **105 DIRECTOR'S INTEREST EXTENDS TO CONNECTED PERSONS**

For the purpose of Articles 100 to 105, the interest of a person who is for the purposes of the Statutes connected within the meaning of section 346 of the Act) with a Director is treated as the interest of the Director and, in relation to an alternate director, the interest of the Director appointing him shall be treated as the interest of the alternate director in addition to any interest which the alternate director otherwise has. Articles 100 to 105 apply to an alternate director as if he were a Director otherwise appointed.

#### **POWERS AND DUTIES OF DIRECTORS**

#### **106 POWERS OF THE BOARD**

Subject to the Statutes, the memorandum of association of the Company and the Articles and to directions given by the Company in general meeting, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company. No alteration of the memorandum of association or of the Articles and no direction made by the Company in general meeting invalidates any prior act of the Board which would have been valid if the alteration or direction had not been made. The general powers given by this Article shall not be limited by any special authority or power given to the Directors by any other Article.

#### **107 DELEGATION TO COMMITTEES**

The Board may delegate any of the powers, authorities and discretions exercisable by the Board for such time and on such terms and conditions as it thinks fit to a committee consisting of one or more Directors and (if it thinks fit) one or more other persons, but only if a majority of the members of the committee are Directors or alternate directors. The Board may grant the power to sub-delegate, may revoke or alter the terms and conditions of the delegation or discharge the committee in whole

or in part and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the committee. Where a provision of the Articles refers to the exercise of a power, authority or discretion by the Board and that power, authority or discretion has been delegated by the Board to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

#### **108 LOCAL MANAGEMENT**

The Board may establish local or divisional boards or agencies for managing the affairs of the Company in a specified locality and may appoint any persons to be members of a local or divisional board or agency and may fix their remuneration and may delegate to any local or divisional board or agency any of the powers, authorities and discretions exercisable by the Board for such time and on such terms and conditions as it thinks fit. The Board may grant the power to sub-delegate, may revoke or alter the terms and conditions of the appointment or delegation and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the local or divisional board or agency and may authorise the members of any local or divisional board or agency (or any of them) to fill any vacancy and to act notwithstanding any vacancy. Subject to any terms and conditions imposed by the Board, the proceedings of a local or divisional board or agency with 2 or more members are governed by those Articles that regulate the proceedings of the Board, so far as applicable.

#### **109 POWER OF ATTORNEY**

The Board may by power of attorney or otherwise appoint any company, firm or person to be the agent or attorney of the Company and may delegate to that company, firm or person any of the powers, authorities and discretions exercisable by the Board for such purposes and for such time and on such terms and conditions as it thinks fit. The Board may grant the power to sub-delegate, may revoke or alter the terms and conditions of the appointment or delegation and may retain or exclude the right of the

Board to exercise the delegated powers, authorities or discretions collaterally with the attorney or agent.

#### **110 EXERCISE OF VOTING POWERS**

The Board may exercise or cause to be exercised the voting powers conferred by shares in the capital of another company held or owned by the Company, or a power of appointment to be exercised by the Company, in any manner it thinks fit (including the exercise of such power in favour of the appointment of a Director as an officer or employee of that company or in favour of the payment of remuneration to the officers or employees of that company).

#### **BORROWING POWERS**

#### **111 BORROWING POWERS**

- 111.1** Subject to the following provisions of this Article, the Board may exercise all the powers of the Company to borrow money.
- 111.2** The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its Subsidiary Undertakings so as to secure (as regards Subsidiary Undertakings so far as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final repayment) remaining undischarged of all moneys borrowed by the Group does not at any time without the previous sanction of an ordinary resolution exceed a sum equal to 3 times the adjusted capital and reserves.
- 111.3** 'Adjusted capital and reserves' means a sum equal to the aggregate of (a) the amount paid up on the allotted or issued share capital of the Company and (b) the amount standing to the credit of the consolidated capital and revenue reserves of the Group (including any share premium account and capital redemption reserve) plus or minus the credit or debit balance, as the case may be, of the consolidated profit and loss account all as shown in the then latest audited consolidated balance sheet of the Group but:

- 111.3.1 adjusted as may be appropriate to reflect any variation since the date of that balance sheet in the amounts referred to in paragraphs (a) and (b), including (a) any alteration resulting from any company becoming or ceasing to be a Subsidiary Undertaking since the date of the latest audited consolidated balance sheet of the Group and (b) any alteration which would result from any transaction contemplated at the time when the adjusted total of the share capital and reserves is being computed or from any transaction carried out contemporaneously;
- 111.3.2 after deducting any amounts attributable to goodwill (other than goodwill arising on consolidation);
- 111.3.3 after adding back any sums set aside for taxation;
- 111.3.4 after deducting the amount of all dividends declared, recommended, made or paid by a member of the Group to a person other than a member of the Group out of profits accrued up to and including the date of, but not provided for in, the latest audited consolidated balance sheet;
- 111.3.5 after making such other adjustments (if any) as the Auditors consider appropriate.
- 111.4 For the purposes of this Article, the following (if not otherwise taken into account) are deemed to be moneys borrowed:
- 111.4.1 the principal amount outstanding in respect of any debentures or of any loan capital (whether secured or unsecured) of any member of the Group which are not beneficially owned within the Group;
- 111.4.2 the principal amount outstanding under any acceptance credit (not being an acceptance in relation to the purchase or sale of goods or services in the ordinary course of trading) opened by any bank or accepting house on behalf of or in favour of any member of the Group;

**111.4.3** the principal amount of any debentures or other borrowed moneys of any person outside the Group the redemption or repayment of which is guaranteed or secured or is the subject of an indemnity given by any member of the Group and the beneficial interest in which redemption or repayment is not owned by a member of the Group;

**111.4.4** any fixed or minimum premium payable on final redemption or repayment of any borrowings which constitute moneys borrowed for the purposes of this Article.

**111.5** For the purpose of this Article the following are not and are deemed not to be moneys borrowed:

**111.5.1** all intra Group borrowings;

**111.5.2** amounts borrowed for the purpose of and applied within six months of being made in repaying (with or without any premium) any borrowings which constitute moneys borrowed for the purposes of this Article;

**111.5.3** the proportion of the borrowings which constitute moneys borrowed for the purpose of this Article of a partly owned Subsidiary Undertaking which corresponds to the proportion of its equity share capital that is not beneficially owned, directly or indirectly, by another member of the Group;

**111.5.4** amounts borrowed for the purpose of financing any contract to the extent that any part of the price receivable by any member of the Group is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other governmental department fulfilling a similar function;

**111.5.5** temporary debit balances with the bankers of any member of the Group or shown in a member's own books of account arising by virtue of delay in clearing funds not exceeding 10 days;

- 111.5.6 for a period of 12 months after the date on which a company becomes a member of the Group, moneys borrowed equal to the amount of borrowings outstanding of such a company at the date when it becomes a member;
- 111.5.7 moneys advanced or paid to any member of the Group (or its agents or nominees) by customers of any member of the Group as unexpended customer receipts or progress payments pursuant to any contract between such customer and a member of the Group;
- 111.5.8 moneys held by any member of the Group whether on deposit or current account or otherwise in connection with any scheme for the benefit of employees or their dependants.
- 111.5.9 amounts due to trade creditors;
- 111.5.10 sums treated as moneys borrowed by a member of the Group by reason only of current accounting standards or other accounting principles or practice.
- 111.6 No lender or other person dealing with the Company shall be concerned to see or inquire whether the limit set out in this Article 111 is observed. No debt incurred or security given in excess of such limit is invalid or ineffectual except in the case of express notice given to the lender or the recipient of the security at the time when the debt is incurred or security given that the limit imposed by these Articles has been or will be exceeded.
- 111.7 A report or certificate of the Auditors as to the amount of the adjusted capital and reserves or the aggregate amount of moneys borrowed or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times is conclusive and binding on all concerned. Nevertheless the Board may at any time act in reliance on a bona fide estimate of the amount of the adjusted capital and reserves or the aggregate amount of moneys borrowed and if in consequence the limit on moneys borrowed set out in this Article is inadvertently exceeded, the amount of moneys borrowed equal to the excess may be disregarded for 90 days after the date on

which by reason of a determination of the Auditors or otherwise the Board becomes aware that this situation has or may have arisen.

- 111.8 Borrowed moneys of the Company or any one or more of its Subsidiary Undertakings expressed in or calculated by reference to a currency other than Sterling shall be translated into Sterling by reference either to the rate of exchange specified in a forward purchase contract, back to back loan, swap or other arrangement taken out or entered into to reduce the risk associated with fluctuations in rates of exchange or, if there is no such agreement, 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 no such conversion was required or has yet taken place, 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.

## **112 POWERS TO MORTGAGE**

The Board may exercise all the powers of the Company to mortgage or charge all or part of the Company's undertaking, property and assets, both present and future, including uncalled capital and, subject to the Statutes, may issue or sell any bonds, loan notes, debentures and other securities for such purposes and on such terms as it thinks fit and whether outright or as collateral security for a debt, liability or obligation of the Company or a third party.

## **PROCEEDINGS OF THE BOARD**

### **113 BOARD MEETINGS**

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

### **114 QUORUM**

The quorum necessary for the transaction of business may be decided by the Board and until decided otherwise is 2 persons present in person or by alternate director.

## **115 NOTICE OF BOARD MEETINGS**

A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Board. It shall be necessary to give notice of a meeting of the Board to all the Directors and notice is deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent to him by Electronic Communication to an Address given by him to the Company for that purpose, or sent to him by post at his last known address or another address given by him to the Company for that purpose. A Director may waive the requirement that notice be given to him of a Board meeting either prospectively or retrospectively. It shall not be necessary to give notice of a meeting of the Board to any Director absent from the United Kingdom save in any case where such absent Director leaves an address or facsimile number (either inside or outside the United Kingdom) in which case a telegram sent to that address or a message sent to that facsimile number (or, in the case of an Electronic Communication, a message sent to an Address given by him to the Company for that purpose) shall be deemed to constitute notice to the Director at the time when it is dispatched or sent. Neither the accidental failure to give notice of a meeting of the Board to any Director nor the non-receipt in any case of such notice if given shall invalidate the meeting or any resolution passed or business transacted at the meeting.

## **116 VOTING**

Questions arising at any meeting of the Board 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.

## **117 CHAIRMAN OF THE BOARD**

The Board may elect a chairman or deputy chairman, who shall preside at its meetings, but if no such chairman or deputy chairman is elected, or if at any meeting neither the chairman nor deputy chairman is present within 5 minutes after the time fixed for the start of the meeting, the Board shall choose one of its number to be chairman of such meeting. The Board may decide the period for which he is or they are to hold office



and may at any time remove him or them from office. A chairman or deputy chairman may hold executive office or employment with the Company.

#### **118 PROCEEDINGS OF A COMMITTEE**

**118.1** Proceedings of a committee of the Board shall be conducted in accordance with any regulations that may from time to time be imposed upon it by the Board. Subject to those regulations and this Article, proceedings of a committee shall be governed by the provisions of these Articles regulating the proceedings of the Board, so far as applicable.

**118.2** Where the Board resolves to delegate any of its powers, authorities and discretions to a committee of one or more unnamed Directors, notice of a meeting of that committee need only be given to the Director or Directors who form the committee.

#### **119 VALIDITY OF PROCEEDINGS OF BOARD OR COMMITTEE**

All acts done in good faith by any meeting of the Board or of a committee of the Board or by any person acting as a Director, alternate director or committee are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or person acting or that they or any of them were disqualified from holding office or had ceased to hold office or were not entitled to vote, as valid as if every such person had been duly appointed and was qualified to be and had continued to be a Director, alternate director or member of a committee and entitled to vote.

#### **120 MINUTES OF PROCEEDINGS**

The Board shall cause minutes to be made of all appointments of officers and committees made by the Board and of any remuneration fixed by the Board and the names of the Directors present at all meetings of the Board and committees of the Board, the Company or the holders of a class of shares or debentures and all orders, resolutions and proceedings of such meetings and any such minutes of any meeting, if purporting to be signed by the chairman of the meeting, or by the chairman of the

next succeeding meeting shall be conclusive evidence without any further proof of the matters stated in them.

#### **121 PARTICIPATION BY TELEPHONE**

A Director or his alternate director may participate in a meeting of the Board or of any committee of the Board through the medium of conference telephone or similar form of communication equipment notwithstanding that the Directors or committee members present may not all be meeting in one particular place if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. The meeting is 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 then is.

#### **122 BOARD RESOLUTION IN WRITING**

A resolution in writing or contained in an Electronic Communication executed by or on behalf of all the Directors entitled to receive notice of a Board meeting and not being less than a quorum or by all members of a committee of the Board is as valid and effective as a resolution passed at a Board meeting (or committee, as the case may be) and may consist of several documents in the same form or be contained in several Electronic Communications each duly executed by or on behalf of one or more of the Directors (or members of the committee) and any such resolution need not be executed by an alternate director if it is executed by the Director appointing him and a resolution executed by an alternate director need not be executed by the Director appointing him.

#### **123 NUMBER OF DIRECTORS LESS THAN MINIMUM**

If the number of Directors is reduced below the minimum number fixed by these Articles or decided by the Company by ordinary resolution, the continuing Directors or Director may act only for the purpose of appointing an additional Director or

Directors to make up that minimum or convening a general meeting of the Company for the purpose of making such appointment. If no Director or Directors is or are able or willing to act, 2 Members may convene a general meeting for the purpose of appointing Directors. An additional Director appointed in this way holds office (subject to the Articles) only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the meeting.

#### **ALTERNATE DIRECTORS**

##### **124 APPOINTMENT**

A Director (other than an alternate director) may, by notice delivered to the Secretary at the Office, or in any other manner approved by the Board, appoint another Director or any other person approved by the Board and willing to act to be his alternate director. No appointment of an alternate director who is not already a Director is effective until his consent to act as a Director in the form prescribed by the Statutes is received at the Office. An alternate director need not be a Member and is not counted in reckoning the number of Directors for the purpose of Article 80.

##### **125 PARTICIPATION IN BOARD MEETINGS**

An alternate director is (subject to his giving to the Company an address at which notice may be served upon him, or to an Address given by him to the Company for the purposes of Electronic Communication, either by post or by Electronic Communication, as the case may be) entitled to notice of meetings of the Board and all committees of the Board of which the Director appointing him is a member and to attend and vote as a Director at any such meeting at which the Director appointing him is absent and to exercise all the powers, rights, duties and authorities of the Director appointing him. A Director acting as alternate director has a separate vote at meetings of the Board and committees of the Board for each Director for whom he acts as alternate director but he counts as only one for the purpose of determining whether a quorum is present.

## **126 REMUNERATION AND EXPENSES**

The fee payable to an alternate director shall be payable out of the fee payable to the Director appointing him and shall consist of such portion (if any) of the fee as shall be agreed between the alternate director and the Director appointing him. The Company shall, however, repay to an alternate director expenses incurred by him in the performance of his duties if the Company would have been required to repay the expenses to him had he been a Director.

## **127 REVOCATION OF APPOINTMENT**

A Director may, by notice delivered to the Secretary at the Office, revoke the appointment of his alternate director. If a Director dies or ceases to hold the office of Director, the appointment of his alternate director ceases automatically. If a Director retires at any meeting (whether by rotation or otherwise) but is reappointed by the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his reappointment as if he had not so retired. The appointment of an alternate director ceases on the happening of an event which, if he were a Director otherwise appointed, would cause him to vacate office.

## **128 RESPONSIBILITY**

An alternate director is not deemed to be the agent of the Director appointing him but is responsible for his own acts and defaults and is deemed to be an officer of the Company.

## **ASSOCIATE DIRECTORS**

## **129 APPOINTMENT OF ASSOCIATE DIRECTOR**

The Board may appoint any person, not being a Director, to be an associate director of the Company or to an office or employment having a designation or title including the word "director" or may attach to an existing office or employment that

designation or title and may terminate the appointment or use of that designation or title.

#### **130 EFFECT OF APPOINTMENT**

The appointment of a person to be an associate director or the inclusion of the word "director" in the designation or title of an office or employment shall not, save as otherwise agreed between him and the Company, affect the terms and conditions of his employment and shall not imply that the person has power to act as a Director or is entitled to receive notice of or attend or vote at meetings of the Directors and he is not deemed to be a Director for any of the purposes of these-Articles.

#### **131 POWERS, DUTIES AND REMUNERATION**

The powers, duties and remuneration of an associate director or of any person having a designation or title including the word "director" shall be determined by the Board and the Board shall have the right to enter into any contract on behalf of the Company or transact any business of any description without the knowledge or approval of such persons, except that no act shall be done that would impose any personal liability on any or all of such persons except with his or their knowledge and consent.

#### **SEALS**

#### **132 APPLICATION OF SEALS**

A seal may be used only by the authority of a resolution of the Board or a committee of the Board. The Board may decide who will sign an instrument to which a seal is affixed (or, in the case of a share certificate, on which the seal may be printed) either generally or in relation to a particular instrument or type of instrument. The Board may also decide, either generally or in a particular case, that a signature may be dispensed with or applied by mechanical means.

### **133 SIGNING OF SEALED DOCUMENTS**

Unless otherwise decided by the Board, certificates for shares or debentures or other securities (subject to the provisions of the relevant instrument) need not be signed or, if signed, a signature may be applied by mechanical or other means or may be printed and every other instrument to which a seal is affixed shall be signed by 2 Directors or one Director and the Secretary.

### **134 SEAL FOR USE ABROAD**

The Board may exercise all the powers of the Company conferred by the Statutes with regard to having an official seal for use abroad.

### **SECRETARY**

### **135 APPOINTMENT AND REMOVAL OF SECRETARY**

Subject to the Statutes, the Board shall appoint and may remove a Secretary or joint secretaries and may appoint and remove one or more assistant or deputy secretaries on such terms and conditions as it thinks fit.

### **136 AUTHORITY OF OTHER PERSON TO ACT AS SECRETARY**

Anything by the Statutes or these Articles required or authorised to be done by or to the Secretary may, if the office is vacant or there is no Secretary capable of acting, be done by or to any joint assistant or deputy secretary or, if there is no joint, assistant or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Board. Any provision of the Statutes or of the Articles requiring or authorising a thing to be done by or to a Director and the Secretary is not satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

### **137 AUTHENTICATION OF DOCUMENTS**

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or holders of a class of shares or the Board or any committee of the Board and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts as true copies or extracts.

### **REGISTERS**

#### **138 REGISTER OF DIRECTORS' INTERESTS**

The register of Directors' interests shall be kept in accordance with the Statutes and shall be open to the inspection of any Member or of any other person between the hours of 10 am and noon on each day during which the same is bound to be open for inspection pursuant to the Statutes. The said register shall be produced at the commencement of each annual general meeting and shall remain open and accessible during the continuance of the meeting to any person attending such meeting.

#### **139 OTHER REGISTERS**

The register of Directors and Secretaries, the register of charges, the Register, the register of interests in shares, any overseas branch register and all other associated registers and indices shall be kept in accordance with the Statutes and the fee to be paid by a person other than a creditor or Member for each inspection of any register is the maximum sum prescribed by the Statutes or, failing which, decided by the Board.

### **DIVIDENDS**

#### **140 RECORD DATES**

Notwithstanding any other provision of the Articles, but subject to the Statutes and any preferential or other special rights attached to shares, the Company or the Board may fix any date as the record date for a dividend, distribution, allotment or issue.

The record date may be on or at any time before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid.

#### **141 ENTITLEMENT TO DIVIDENDS**

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid. 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. If any share is issued on terms that it shall rank for dividend as from a particular date then it shall rank for dividend as from that date. No amount paid up on a share in advance of a call may be treated as paid up for the purpose of this Article.

#### **142 DECLARATION OF DIVIDENDS**

Subject to the Statutes and the Articles, the Company may by ordinary resolution declare a dividend to be paid to the Members according to their respective rights and interests. No dividend shall exceed the amount recommended by the Board.

#### **143 INTERIM DIVIDENDS**

Subject to the Statutes, the Board may declare and pay to the Members such interim dividends (including a dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available for distribution. If the share capital of the Company is divided into different classes, the Board may pay interim dividends in respect of shares which rank after shares conferring preferred rights, unless at the time of payment a preferential dividend is in arrear. If the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss that may suffer by reason of the lawful payment of an interim dividend on any shares ranking after those with preferred rights.



#### **144 PAYMENT OF DIVIDENDS IN KIND**

The Board may, with the prior authority of an ordinary resolution of the Company, direct that dividends may be satisfied in whole or in part by the distribution of specific assets including paid up shares, debentures or other securities of any other company. The Board may make all such valuations, adjustments and arrangements and issue all certificates or documents of title as may seem to it to be expedient with a view to facilitating the distribution and may vest assets in trustees on trust for the persons entitled to the dividend as may seem to the Board to be expedient.

#### **145 METHOD OF PAYMENT**

The Company may pay any dividend, interest or other amount payable in cash in respect of any share by cheque, dividend warrant or money order or by direct debit or a bank or other funds transfer system or by such other method as the holder or joint holders of the share in respect of which the payment is made may in writing direct. In respect of shares in uncertificated form, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Company shall from time to time consider sufficient, the Company may also pay any such dividend, interest or other amount by means of the relevant system concerned (subject always to the facilities and requirements of that relevant system). Any joint holder may give an effective receipt for a dividend, interest or other amount paid in respect of the share. The Company may send a cheque, warrant or order by post (1) in the case of a sole holder, to his registered address or (2) in the case of joint holders, to the registered address of the person whose name stands first in the Register or (3) in the case of a person or persons entitled by transmission to a share, as if it were a notice given in accordance with Article 160 or (4) in any case, to a person and address that the person or persons entitled to the payment may in writing direct. Payment of the cheque, warrant or order, the collection of funds from or transfer of funds by a bank in accordance with such direct debit or bank or other transfer or, in respect of shares in uncertificated form, the making of payment in accordance with the facilities and requirements of the relevant system concerned shall be a good discharge to the

Company. Every cheque, warrant or order is sent at the risk of the person entitled to the payment and shall be made payable to or to the order of the person or persons entitled or to such other person as the holder or joint holders may in writing direct. Every such payment made by direct debit or a bank or other funds transfer or by another method at the direction of the holder or joint holders shall be made to the holder or joint holders or to or through such other person as the holder or joint holders may in writing direct. In respect of shares in uncertificated form, every such payment made by means of the relevant system concerned shall be made in such manner as may be consistent with the facilities and requirements of the relevant system concerned. Without prejudice to the generality of the foregoing, in respect of shares in uncertificated form, such payment may include the sending by the Company or by 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 or, if permitted by the Company, of such person as the holder or joint holders may in writing direct. The Company shall not be responsible for any loss of any such cheque, warrant or order and any payment made by direct debit, bank or other funds transfer system or such other method shall be at the sole risk of the holder or joint holders. Without prejudice to the generality of the foregoing, if any such cheque, warrant or order has or shall be alleged to have been lost, stolen or destroyed, the Directors may, on request of the person entitled to it, issue a replacement cheque, warrant or order subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Directors may think fit.

#### **146 CESSATION OF PAYMENT OF DIVIDEND**

If a cheque, warrant or order in respect of a dividend, or other amount payable in respect of a share, is returned undelivered or left uncashed or transfer made by a bank or other funds transfer systems is not accepted on

##### **146.1 2 consecutive occasions; or**

**146.2** one occasion and the Board, on making reasonable enquiries, has failed to establish any new address or account of the person concerned

then the Board may determine that the Company shall cease sending or transferring a dividend, or other amount payable in respect of that share, to the person concerned until he notifies the Company of an address or account to be used for that purpose.

**147 DIVIDENDS DO NOT BEAR INTEREST**

No unpaid dividend, or other amount payable in respect of a share, bears interest as against the Company unless otherwise provided by the rights attached to the share.

**148 DEDUCTION FROM DIVIDEND**

The Board may deduct from any dividend or other amounts payable to a person in respect of a share, either alone or jointly with any other person, all amounts due from him, either alone or joint with any other person, to the Company on account of calls or otherwise in respect of a share.

**149 UNCLAIMED DIVIDENDS**

All unclaimed dividends, interest or other amounts payable by the Company in respect of a share may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the payment of any unclaimed dividend, interest or other amount payable by the Company in respect of a share into a separate account or the investment of it does not constitute the Company a trustee in respect of it. Any dividend which has remained unclaimed for a period of 12 years from the date it became due for payment is forfeited and ceases to remain owing by the Company.

**150 DIVIDEND MAY BE WITHHELD**

Without prejudice to Articles 42 to 45, the Board may withhold payment of a dividend (or part of a dividend) payable to a person entitled by transmission to a share until he has provided any evidence of his right that the Board may reasonably require.

## **151 PAYMENT OF SCRIP DIVIDENDS**

- 151.1** Subject to the Statutes, but without prejudice to Article 42, the Board may, with the prior authority of an ordinary resolution of the Company, allot to those holders of a particular class of shares who have elected to receive them further shares of that class or ordinary shares, in either case paid up ('new shares'), instead of cash in respect of all or part of a dividend or dividends specified by the resolution, subject to any exclusions, restrictions or other arrangements the Board may in its absolute discretion deem necessary or expedient to deal with legal or practical problems under the laws of, or the requirements of a recognised regulatory body or a stock exchange in, any territory.
- 151.2** Where a resolution under Article 151.1 is to be proposed at a general meeting and the resolution relates in whole or in part to a dividend to be declared at that meeting, then the resolution declaring the dividend is deemed to take effect at the end of that meeting.
- 151.3** A resolution under Article 151.1 may relate to a particular dividend or to all or any dividends declared or paid within a specified period, but that period may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which the resolution is passed.
- 151.4** The Board may make any provision it considers appropriate in relation to an allotment made pursuant to this Article, including but not limited to:
- 151.4.1** the giving of notice to holders of the right of election offered to them;
  - 151.4.2** the provision of forms of election (whether in respect of a particular dividend or dividends generally);
  - 151.4.3** determination of the procedure for making and revoking elections;

- 151.4.4** the place at which, and the latest time by which, forms of election and other relevant documents must be lodged in order to be effective; and
- 151.4.5** the disregarding or rounding up or down or carrying forward of fractional entitlements, in whole or in part, or the accrual of the benefit of fractional entitlements to the Company (rather than to the Members concerned).
- 151.5** The dividend (or that part of the dividend in respect of which a right of election has been offered) is not declared or payable on shares in respect of which an election has been duly made ('elected shares'), instead new shares are allotted to the holders of the elected shares on the basis of allotment calculated as in Article 151.4. For that purpose, the Board may resolve to capitalise out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, a sum equal to the aggregate nominal amount of the new shares to be allotted and apply it in paying up in full the appropriate number of new shares for allotment and distribution to the holders of the elected shares. A resolution of the Board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to Article 153. In relation to the capitalisation the Board may exercise all the powers conferred on it by Article 153 without an ordinary resolution of the Company.
- 151.6** The new shares will rank equally with each other and with every other paid share of the same class in issue on the record date for the dividend in respect of which the right of election has been offered, but they will not rank for a dividend or other distribution or entitlement which has been declared or paid by reference to that record date.

## **RESERVES**

### **152 PROVISION OF RESERVES**

The Board may, before recommending any dividend, 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) such amounts as it thinks proper as a reserve fund or funds which shall at the discretion of the Board be applicable for any purpose for which the profits of the Company may lawfully be applied. The Board may employ the amounts in the business of the Company or invest the same in such securities (other than the shares of the Company or its holding company) as it may select. The Board may also from time to time carry forward such amounts as it may deem expedient not to distribute.

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

Subject to the Statutes, the Board may, with the authority of any ordinary resolution of the Company -

- 153.1** resolve to capitalise an amount standing to the credit of reserves or to the credit of the profit and loss account and whether or not available for distribution and appropriate the sum resolved to be capitalised to the Members in proportion to the nominal amount of ordinary shares (whether or not paid up) held by them respectively and to apply that sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such Members respectively or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum and allot such shares or debentures, paid up, to and amongst such Members in those proportions or partly in one way and partly in the other. Any sums standing to the credit of a share premium account and a capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to Members credited as paid up;

- 153.2** make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and, in particular, where shares or debentures become distributable in fractions, the Board may deal with the fractions as it thinks fit, including by the issue of certificates in respect of fractional entitlements, disregarding fractions or selling shares or debentures representing the fractions to a person for the best price reasonably obtainable and distributing the net proceeds of the sale in due proportion amongst the Members (except that if the amount due to a Member is less than £3, or such other sum as the Board may decide, the sum may be retained for the benefit of the Company);
- 153.3** authorise a person to enter into, on behalf of all the Members concerned, an agreement with the Company providing for either the allotment to the Members, paid up, of shares or debentures to which they may be entitled on the capitalisation or the payment by the Company on behalf of the Members, by applying their respective proportions of the reserves resolved to be capitalised, of the amounts remaining unpaid on their existing shares. An agreement entered into under this Article is effective and binding on all affected Members; and
- 153.4** generally do all acts and things required to give effect to the resolution.

## **ACCOUNTS**

### **154 INSPECTION OF ACCOUNTS**

- 154.1** The Board shall ensure that proper accounts and accounting records are kept in accordance with the Statutes. The books of account and accounting records shall be kept at the Office or, subject to the Statutes, at such other place or places as the Board thinks fit and shall be open to the inspection of any Director or other officer during business hours.
- 154.2** No Member (not being a Director or other officer) has any right of inspecting any account or book or document of the Company, except as conferred by the Statutes or authorised by the Board or by an ordinary resolution of the Company.

## **155 PREPARATION OF ACCOUNTS**

The Board shall, in accordance with the Statutes, 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 referred to in the Statutes.

## **156 ACCOUNTS SENT TO THE MEMBERS**

**156.1** Subject to the Statutes and to Article 156.2, either -

**156.1.1** a printed copy of every Directors' report and Auditors' report accompanied by the Company's annual accounts and every document required by law to be attached to them; or

**156.1.2** where permitted by the Statutes, a summary financial statement derived from the Company's annual accounts prepared in accordance with the Statutes,

shall not less than 21 Clear Days before the date of the meeting be delivered or sent to every Member (whether or not entitled to receive notices of general meetings) and to every holder of debentures of the Company (whether or not entitled to receive notices of general meetings) and to every other person who is entitled to receive notices of general meetings from the Company under the provisions of the Statutes or of these Articles. This Article does not require a copy of such documents to be sent or delivered to any Member or holder of debentures of whose address the Company is not aware nor to more than one of the joint holders of any shares or debentures; but any Member or debenture holder to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

**156.2** Any documents required or permitted to be sent by the Company to a Member or to any other person pursuant to Article 156.1 shall be treated as sent if:

**156.2.1** sent by Electronic Communication to an address for the time being notified to the Company by that person for that purpose; or



**156.2.2** published on a web-site, provided that the following conditions are met:

**156.2.2.1** the Company and that Member or other person have agreed that such documents may be accessed on a web-site (instead of their being sent by post or otherwise delivered to him) by him; and

**156.2.2.2** that Member or other person is notified, in a manner for the time being agreed for the purpose between him and the Company, of:

(a) the publication of the documents on a web-site;

(b) the address of that web-site;

(c) the place on that web-site where the documents may be accessed; and

(d) how they may be accessed.

**156.3** Documents treated in accordance with Article 156.2.2 above as sent to any person are to be treated as sent to him not less than 21 Clear Days before the date of a meeting if, and only if:

**156.3.1** the documents are published on the web-site throughout a period beginning at least 21 Clear Days before the date of the meeting and ending with the conclusion of the meeting to which they relate; and

**156.3.2** the notification given for the purposes of Article 156.2.2 above is given not less than 21 Clear Days before the date of the meeting.

**156.4** The accidental omission to deliver, send or publish as mentioned in Articles 156.2 and 156.3 above a copy of any document required to be delivered, or sent to any person pursuant to this Article or the non-receipt of any document by any person entitled to receive it or the non-publishing as mentioned above (or the accidental publishing of such a document in a different place on the web-site than contained in the notification pursuant to Article 156.2.2.2 or the publishing of such a document for part, but not

all, of the specified period of 21 Clear Days), does not invalidate any such document or the proceedings at any general meeting.

#### **UNTRACED SHAREHOLDERS**

#### **157 POWER OF SALE**

**157.1** The Company is entitled to sell at the best price reasonably obtainable any share of a Member or any share to which a person is entitled by transmission if -

**157.1.1** during a period of 12 years prior to the date of the publication of the advertisements referred to in Article 157.1.2 (or, if published on different dates, the earlier date) at least 3 dividends (whether interim or final) in respect of the share in question have been paid and all warrants, orders and cheques in respect of the share sent in the manner authorised by these Articles have been returned undelivered or remained uncashed and no communication has been received by the Company from the Member or person entitled by transmission; and

**157.1.2** the Company, on expiry of the period of 12 years, has inserted advertisements in a national daily newspaper and in a newspaper circulating in the area of the registered address of the Member, or other person entitled by transmission, appearing in the Register or the last known address given by the Member or other person, giving notice of its intention to sell the share; and

**157.1.3** during the period of 3 months following the publication of the advertisements (or, if published on different dates, the later of the 2 advertisements) and prior to the date of sale the Company has not received any communication from the Member or person entitled by transmission; and

**157.1.4** notice has been given to the UKLA of its intention to sell the share.

**157.2** If, during the period of 12 years or a further period ending on the date when all the requirements of Article 157.1 have been satisfied, an additional share has been issued in right of that held at the beginning of, or previously so issued during, those periods

and all the requirements of Article 157.1 are satisfied in respect of the additional share, the Company is entitled to sell the additional share.

- 157.3** To give effect to any such sale, the Board may appoint any person to execute as transferor an instrument of transfer of the share and such instrument of transfer shall be as effective as if it had been executed by the holder of or person entitled by transmission to such share. The transferee is not bound to see to the application of the purchase money and the title of the transferee is not affected by any irregularity or invalidity in the proceedings relating to the sale.

#### **158 APPLICATION OF PROCEEDS OF SALE**

The net proceeds of sale shall belong to the Company which shall be obliged to account to the Member or other person entitled by transmission for an amount equal to such proceeds and shall enter the name of such Member or other person in the books of the Company as a creditor for such amount. No trust is created and no interest is payable in respect of the debt and the Company is not required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested as the Directors think fit.

#### **NOTICES**

#### **159 NOTICES IN WRITING OR BY ELECTRONIC COMMUNICATION**

A notice to be given to or by any person pursuant to the Articles shall be in writing (except that a notice convening a meeting of the Board or a committee of the Board need not be in writing), or shall be given using Electronic Communication either (i) to an Address for the time being notified for that purpose to the persons giving the notice (including publication on a web-site in accordance with the Statutes); or (ii) by any other means authorised in writing by the person concerned.

In the case of notices or other documents sent by means of Electronic Communication or the publishing of such notices or documents on a web-site in accordance with the Statutes, the Directors may, in their absolute discretion, make

such arrangements in respect of the security of such Electronic Communication or publication as they think fit.

## **160 SERVICE OF NOTICES**

- 160.1** A notice or other document may be given to a Member by the Company personally or by sending it through the post. Any such notice or other document sent by post shall be stamped first or second class and addressed to such Member at the address in the Register or shall be left at that address (or at another address notified by the Member to the Company for that purpose) in an envelope addressed to that Member. Alternatively, a notice or other document may be sent using Electronic Communication to an Address for the time being notified to the Company by the Member or by any other means authorised by the Member concerned.
- 160.2** A notice of general meeting may, instead of being sent to the Member in any of the ways specified in Article 160.1, be given to a Member by the Company by publishing the notice on a web-site, provided that the following conditions are met:
- 160.2.1** the Member and the Company have agreed that notices of general meetings may be accessed by him on a web-site instead of being sent to the Member in one of the ways specified in Article 160.1; and
- 160.2.2** the Member is notified, in a manner agreed for the time being between the Member and the Company, of:
- 160.2.2.1** the fact that the notice has been published on the web-site;
- 160.2.2.2** the address of that web-site;
- 160.2.2.3** the place on the web-site where the notice may be accessed and how that web-site and the notice may be accessed;
- 160.2.2.4** a statement that it concerns a notice of general meeting served in accordance with the Act;

**160.2.2.5** the place, date and time of the general meeting; and

**160.2.2.6** whether the general meeting is to be an annual or extraordinary general meeting.

A notice given under this Article 160.2 is deemed to be given at the time of the notification under Article 160.2.2.

#### **161 NOTICE TO JOINT HOLDERS**

In the case of joint holders of a share, a notice or other document shall be given to whichever of them is named first in the Register and notice given in this way is sufficient notice to all the joint holders.

#### **162 ADDRESS OUTSIDE THE UNITED KINGDOM**

If any Member (or, in the case of joint holders, the person first named in the Register) has a registered address not within the United Kingdom but (at least 14 days before the notice or other document is given) has given to the Company an address within the United Kingdom at which notices or other documents may be given to him or an Address to which notices may be sent using Electronic Communication, he is entitled to have notices given to him at, or notices sent to, that address, or Address as the case may be but otherwise no such Member is entitled to receive any notice or document from the Company.

A Member who has supplied the Company only with an Address for the purposes of Electronic Communication shall not be entitled to receive notices from the Company if the Directors, in their absolute discretion, determine that to send notices to such an Address would infringe the laws of another country.

#### **163 DEEMED NOTICE**

A Member present in person or by proxy at a general meeting or a meeting of the holders of a class of shares is deemed to have received due notice of the meeting and, where required, of the purposes for which it was called.

#### **164 EVIDENCE OF SERVICE**

Any notice or other document addressed to a Member at his registered address or address for service in the United Kingdom is deemed to be received, if personally delivered, at the time of delivery or, if sent by first class post, on the Business Day after the letter is posted or, if sent by second class post, on the second Business Day after the letter is posted. In proving service it is sufficient to prove that the letter was properly addressed and, if sent by post, stamped and posted. A notice or document left at a registered address for service in the United Kingdom is deemed to be received on the day it is left. Proof that a notice contained in an Electronic Communication was properly addressed, and sent, except that service shall not be deemed to have been effected if the Company received an error or non-delivery notification in relation to such message, shall be conclusive evidence that notice was given.

A notice contained in an Electronic Communication, other than a notice under Article 160.2 (to which the provisions of that Article apply), shall be deemed to be given on the first Business Day after the day it was sent.

#### **165 NOTICE BINDING ON TRANSFEREES ETC.**

A person who becomes entitled by transmission to a share, transfer or otherwise is bound by a notice in respect of that share (other than a notice served by the Company under section 212 of the Act) which, before his name is entered in the Register, has been properly served on a person from whom he derives his title.

#### **166 NOTICE IN CASE OF ENTITLEMENT BY TRANSMISSION**

Where a person is entitled by transmission to a share, the Company may give a notice or other document to that person as if he were the holder of a share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt Member (or by similar designation) at an address in the United Kingdom supplied for that purpose by the person claiming to be entitled by transmission. Until an address has been supplied, a notice or other document may be given in any manner

in which it might have been given if the death or bankruptcy or other event had not occurred. The giving of notice in accordance with this Article is sufficient notice to all other persons interested in the share.

#### **167 NOTICE BY ADVERTISEMENT**

If by reason of the suspension or curtailment of postal services in the United Kingdom the Company is unable effectively to convene a general meeting by notices sent thought the post to those members who have not notified an Address for Electronic Communication pursuant to Article 159 the Board may, if it thinks fit and as an alternative to any other method of service permitted by the Articles, resolve to convene a general meeting by a notice advertised in at least one national newspaper and such notice shall be deemed to have been duly received at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least 5 days prior to the meeting the posting of notices again becomes practicable.

#### **WINDING UP AND INDEMNITY**

#### **168 WINDING UP**

If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of an extraordinary resolution and any sanction required by law, divide among the Members in kind the whole or any part of the assets of the Company and whether or not the assets consist of property of one kind or of different kinds and may for this purpose set such value as he deems fair on any class or classes of property and may determine on the basis of that valuation and in accordance with the then existing rights of Members how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the same authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator shall think fit but so that no Member shall be compelled to accept any asset in respect of which there is a liability or potential liability.

## **169 INDEMNITY**

- 169.1** Subject to the Statutes and without prejudice to any indemnity to which he may otherwise be entitled, 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 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 judgment 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.
- 169.2** Subject to the Statutes, the Board may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or former employee, of the Company or a Subsidiary Undertaking or in which the Company has an interest, direct or indirect, or who is or was a trustee of a retirement benefits scheme or another trust in which an officer or employee or former officer or former employee is or has been interested indemnifying him against any liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.