

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

ALLIANCE SURGICAL PLC

Company Number: 05221843



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Adopted by Special Resolution passed on 10th DECEMBER 2004

Amended by Special Resolution passed on 22nd JUNE 2011, 21st SEPTEMBER 2016  
20<sup>th</sup> JANUARY 2017 and 14 MAY 2021

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 SHAKESPEAREMARTINEAU

No 1. Colmore Square, Birmingham B4 6AA

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THE COMPANIES ACTS 1985 to 1989  
PUBLIC COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION

of

ALLIANCE SURGICAL PLC  
(COMPANY NUMBER 5221843)

(Adopted by special resolution passed on 10 DECEMBER 2004)

(Amended by special resolution passed on 22 JUNE 2011, 21 December 2016, 20  
January 2017 AND 14 MAY 2021)

**1. PRELIMINARY**

1.1 The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 shall not apply to the Company.

1.2 In these Articles, if not inconsistent with the subject or context, the following expressions shall bear the following meanings:

**"the Act"** means the Companies Act 1985 as amended by the Companies Act 1989 including any statutory modification or re-enactment thereof for the time being in force;

**"acting in Concert"** the meaning ascribed to it by the City Code on Takeovers and Mergers in force at the date of adoption of these Articles;

**"Alliance Surgical Members Group"** means the various individuals, companies and partnerships which include the Company and each of the Principal Service Providers and Team Health LLP together with the Members who comprise the Alliance Surgical Members Group from time to time as set out in a prospectus issued by the Company on 7 January 2011.

**"these Articles"** means these articles of association as originally framed or as from time to time altered and the expression "Article" shall be construed accordingly;

**"Associate"** means any person (other than any member of the Group) in which any member of the Group has a Participating Interest;

**"the Auditors"** means the auditors for the time being of the Company;

**"Bad Leaver"** means a Leaver who is not a Good Leaver.

**"B Share"** means a B Share of 1p each in the capital of the Company.

**"B Shareholder"** means a holder of B Shares.

**"Change in Control"** the meaning as set out in Section 840 of the Income and Corporation Taxes Act 1988;

**"Connected Person"** the meaning given to that expression in section 839 Income and Corporation Taxes Act 1988;

**"the Company"** means Alliance Surgical plc or such other name by which the Company may for the time being be registered in accordance with the statutes;

**"C Share"** means a C Share of 1p each in the capital of the Company.

**"C Shareholder"** means a holder of C Shares.

**"the Directors"** means the directors for the time being of the Company;

**"Dividend"** includes bonus;

**"Exit"** means;

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(a) a Listing; or

(b) a Sale

in each case in accordance with the provisions of Article 9.

**"Founder Member"** means a person who subscribed for shares under a prospectus of the Company issued on 7 January 2005, a prospectus of the Company issued on 26 October 2006 or a supplementary prospectus of the Company issued on 2 May 2007.

**"Good Leaver"** means a Leaver who has become a leaver as a result of:

(a) Death;

(b) Incapacity due to illness or injury; or

(c) Redundancy

Or who is designated as such by the Board in their absolute discretion.

**"the Group"** means the Company and any subsidiary undertaking or subsidiary undertakings for the time being of the Company;

**"Hurdle"** The Company having an annual turnover of £18,000,000 as shown in the annual accounts of the Company.

**"in writing"** means written, printed, or lithographed, or visibly expressed by any substitute for writing or partly by one of such means and partly by another or others.

**"Leaver"** means a C Shareholder who has ceased to be an employee of the Company or any of its subsidiaries.

**"Listing"** means the admission of any of the Company's shares to the Official List, the Alternative Investment Market of the London Stock Exchange plc, OFEX or the admission to trading of the Company's shares on any recognised investment exchange;

**"month"** means calendar month;

**"the Office"** means the registered office for the time being of the Company;

**"Ordinary Shares"** means ordinary shares of 10p each in the capital of the Company;

**"Ordinary Shareholders"** means the holders from time to time of Ordinary Shares

**"paid up"** means paid up and/or credited as paid up;

**"the Register"** means the Register of Members to be kept pursuant to Section 352 of the Act;

**"Retirement Rules"** means the rules governing the transfer of the "A" Shares in the Principal Service Providers in accordance with the shareholder agreement for each Principal Service Provider company.

**"Sale"** (a) other than as a result of an intra-group reorganisation, the completion of an agreement for the purchase of all of the issued share capital of the Company; or (b) the completion of the acquisition or where more than one, the last such acquisition, of shares of the Company made pursuant to an offer as a result of which the offeror becomes entitled or bound to acquire the remainder of such shares, and for the purpose of this definition, reference to the date of sale shall be construed as a reference to the date upon which the acquisition (or the last acquisition) is completed and reference to the offeror shall include any person with whom such offeror is acting in concert;

**"the Seal"** means the common seal of the Company (subject as provided in Article 30.3);

**"the Statutes"** means the Act and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning companies and affecting the Company, and every statutory modification or re-enactment of the same for the time being in force;

**"Recognised Investment Exchange"** means the Alternative Investment Market ("AIM") or the official list ("the Official List") of the London Stock Exchange plc or any other recognised investment exchange as defined in the Financial Services and Markets Act 2000

**"Third Party"** means an individual, partnership or company which does not at the proposed date of transfer (of any shares in the Company) own any shares.

**"the United Kingdom"** means Great Britain and Northern Ireland;

**"Unsound Mind"** means, in relation to a person, one who is, or may be, suffering from mental disorder and either:

- (a) 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 1960; or
- (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his

detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;

- 1.3 Words importing the singular number shall include the plural, and vice versa.
- 1.4 Words importing the masculine gender shall include the feminine, and persons shall include corporations, mutatis mutandis.
- 1.5 Save as provided in this Article 1 any words or expressions defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.
- 1.6 The expressions "recognised clearing house" and "recognised investment exchange" shall mean any clearing house or investment exchange (as the case may be) granted recognition under the Financial Services and Markets Act 2000.
- 1.7 The expression "Secretary" shall (subject to the provisions of the Statutes) include an assistant or deputy secretary, and any person appointed by the Directors to perform any of the duties of the Secretary.
- 1.8 A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expected to be required under any provision of these Articles.
- 1.9 The headings are inserted for convenience and shall not affect the construction of these Articles.

## **2. SHARE CAPITAL**

- 2.1 Deleted.
- 2.2 Subject to the provisions of the Statutes and without prejudice to any rights for the time being conferred on the holders of any shares or class of shares, any share in the Company may be issued with such preferred, deferred or other rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine.
- 2.3 Subject to the provisions of the Statutes, any shares may be issued on terms that they are, or at the option of the Company are liable to be, redeemed on such terms and in such manner as may be provided in these Articles.
- 2.4 Subject to the provisions of the Statutes, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, either (a) in such manner (if any) as may be provided by such rights or (b) in the absence of any such provision, with the consent in writing of the holders of three-fourths of the 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 the shares of the class but not otherwise. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company or to the proceedings of the same and the provisions of Sections 369, 370, 376, and 377 of the Act shall, with any necessary modifications, apply **PROVIDED THAT** no Member, not being a Director, shall be entitled to notice of or to attend at any such separate meeting unless he is a holder of shares of the class the rights or privileges attached to which are intended to be varied or abrogated by the resolution, and that no vote shall be given except in respect of a share of that class, and that the

necessary quorum shall be two or more persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that at any adjourned meeting of such holders if there is no quorum as above within 15 minutes one person holding shares of the class in question present in person or by proxy shall be a quorum), and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively, and that any holder of shares of the class in question present in person or by proxy may demand a poll.

- 2.5 Unless otherwise expressly provided by these Articles, or by the rights conferred upon the holders of any class of shares, those rights shall be deemed to be varied by the reduction of the capital paid up on such shares and by the creation of further shares ranking in any respects in priority to such shares but shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* with or subsequent to such shares.
- 2.6 Subject to the provisions of the Statutes relating to authority to allot shares, pre-emption rights and otherwise and to any resolution of the Company in General Meeting passed pursuant thereto the unissued shares in the capital of the Company shall be under the control of the Directors' who may allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of any relevant securities (as defined in Section 80(2) of the Act) to such persons at such times and generally on such terms and conditions as they think fit, but so that no shares shall be issued at a discount except in accordance with the provisions of the Statutes.
- 2.7 In addition to all other powers of paying commissions, the Company may exercise the powers conferred by the Statutes of paying commissions to the persons subscribing or procuring subscriptions for shares of the Company, or agreeing so to do, whether absolutely or conditionally. Subject to the provisions of the Statutes any such commissions may be satisfied by the payment of cash or (with the sanction of an ordinary resolution) by the allotment of fully or partly paid shares of the Company, or partly in the one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.
- 2.8 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and (except only as by these Articles otherwise provided or as by law required) the Company shall not be bound by or recognise (even when having notice of it) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.
- 2A The rights attaching to the High Income Convertible Shares are as follows:
- 2A.1 As regards capital:
- On a return of capital on a winding up or otherwise the High Income Convertible Shares shall rank equally with the Ordinary Shares.
- 2A.2 As regards dividend:
- The High Income Convertible Shares shall be entitled to a dividend of not less than one hundred and fifty per cent of the dividend declared and paid on the Ordinary Shares.

2A.3 As regards voting:

The High Income Convertible Shares shall not carry a vote but shall carry the right to receive notice of and attend and speak at General Meetings of the Company.

2A.4 Conversion Rights

On a member retiring in accordance with the Retirement Rules as having reached the Mandatory Retirement Age (as defined therein) or Early Retirement Age (as defined therein) the High Income Convertible Shares shall convert into an equivalent number of Ordinary Shares in the Company.

2A.5 Transfer

If a Founder Member holding High Income Convertible Shares ceases to be a member of the Alliance Surgical Members Group for any reason other than retirement then the Company may at its option require that the member shall sell such shares to the Company (subject to the Companies Act 2006) or to a third party at the directors absolute discretion at their nominal value or allow the member to keep such shares. If the member shall not sign a stock transfer form or share buyback agreement within 7 days of being given notice in writing by the Company the member hereby appoints any director of the Company as his agent and attorney to sign any documents necessary to affect such a transfer.

2B The rights attaching to the B Shares are

2B.1 Until the Hurdle has been achieved each B Share shall carry no vote, not be entitled to a dividend and shall be entitled to receive the nominal value of the shares on a return of capital. Further the B Shareholders shall have no right to attend or speak at an general meeting of the Company.

2B.2 The Hurdle shall be measured by the annual accounts of the Company as filed at Companies House.

2B.3 Immediately upon the Hurdle being achieved (if prior to 31 March 2020) each B share shall rank with the Ordinary Shares as if they were one class.

2B.4 In the event that the Hurdle has not been achieved immediately after the filing of the Company's annual accounts for the year ending 31 March 2020 the B Shares shall redeemed at the discretion of the Company at anytime for a sum of 1p per B Share.

2C.1 Save as set out in this Article 2C the C Shares shall rank equally with the Ordinary Shares as if they were the same class.

2C.2 The C Shares shall carry no right to vote but shall be entitled to attend general meetings of the Company.

2C.3 In the event of the holder of the C Shares becoming a Leaver the C Shares shall be redeemable at the discretion of the Company for:



- (a) If the Leaver is a Bad Leaver, then each share shall be redeemed for the lower of Market Value or its nominal value; and
- (b) If the Leaver is a Good Leaver, then each share shall be redeemed for the higher of Market Value or its nominal value.

2C.4 For the purpose of Article 2C.3 Market Value shall be the value decided by the auditors of the Company at the time of such redemption.

## 2D The rights attaching to the E shares

- 2D.1 Until the E Hurdle has been achieved each E Share shall carry no vote, not be entitled to a dividend and shall be entitled to receive the nominal value of the shares on a return of capital. Further the E Shareholders shall have no right to attend or speak at a general meeting of the Company.
- 2D.2 The hurdle shall be measured by the number of new policy holders on the Alliance Private Medical Scheme
- 2D.3 Immediately upon the E Hurdle being achieved (if prior to 31 March 2026) each E share shall rank with the Ordinary Shares as if they were one class.
- 2D.4 In the event that the E Hurdle has not been achieved immediately after 31 March 2026 the E Shares shall be redeemed at the discretion of the Company at anytime for a sum of 1p per E Share.

### Definitions

“E Share” means an E Share of 1p each in the capital of the Company.

“E Shareholder” means a holder of E Shares.

“E Hurdle” the Company and its subsidiaries having entered into 2,500 new policies under the Alliance Private Medical Scheme.

## 3. CERTIFICATES

- 3.1 Every person whose name is entered as a Member in the Register shall be entitled without payment to one certificate for all the shares of each class for the time being held by him, or upon payment of such reasonable out of pocket expenses as the Directors may from time to time determine for every certificate after the first, to several certificates, each for one or more of his shares. Every certificate shall be issued within two months after allotment or the lodgment with the Company of the transfer of the shares, not being a transfer which the Company is for any reason entitled to refuse to register and does not register, unless the conditions of issue of such shares otherwise provide and shall be under the Seal or under the official seal kept by the Company by virtue of Section 40 of the Act and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up in respect of the same. The Company shall not be bound to register more than four persons as the joint holders of any share or shares (except in the case of executors or trustees of a deceased Member) and in the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all. Where a Member transfers part of his holding of shares he shall be entitled to a certificate for the balance of his holding without charge.

- 3.2 Share certificates and, subject to the provisions of any instrument constituting or securing the same, certificates issued under the Seal or under the official seal kept by the Company by virtue of Section 40 of the Act in respect of any debentures, need not be signed or counter-signed, or the signatures may be affixed to the same by such mechanical or other means as may be determined by the Directors.
- 3.3 If a share certificate is lost, destroyed, defaced or worn out, it must be renewed without charge (other than exceptional out of pocket expenses), and (in case of loss or destruction) on such terms (if any) as to evidence and indemnity as the Directors think fit, and (in case of defacement or wearing out) on delivery up of the old certificate.

#### **4. LIEN**

- 4.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share. The Company's lien (if any) on a share shall extend to all dividends or other moneys payable on or in respect of such share. The Directors may resolve that any share shall for some specified period be exempt from the provisions of this Article. The registration of a transfer of shares shall, unless otherwise agreed between the Directors and the transferee, operate as a waiver of any lien on such shares.
- 4.2 The Company may sell, in such manner as the Directors think fit, any share on which the Company has a lien, but no sale shall be made unless some moneys in respect of which the lien exists are presently payable and fourteen days have expired after a notice in writing, stating and demanding payment of the moneys presently payable and giving notice of intention to sell in default, has been served on the holder for the time being of the share or the persons entitled by reason of his death or bankruptcy to the share.
- 4.3 For giving effect to any such sale the Directors may authorise some person to execute or otherwise effect a transfer of the shares sold to the purchaser of the same.
- 4.4 The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale and the remedy of any person aggrieved shall be in damages only and against the Company exclusively.
- 4.5 The net proceeds of any such sale shall be applied in or towards payment or satisfaction of the amount in respect of which the lien exists as if presently payable and any residue shall (subject to a like lien in respect of sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares immediately prior to the date of the sale.

#### **5. CALLS ON SHARES**

- 5.1 The Directors may, subject to the provisions of these Articles and to any conditions of allotment, from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and each Member shall (subject to being given at least thirty days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares.

- 5.2 A call may be made payable by instalments. A call may be postponed and a call may be wholly or in part revoked as the Directors may determine. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. A person upon whom a call is made shall remain liable notwithstanding the subsequent transfer of the share in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and any one holder may give effective receipts for any return of capital payable in respect of any such share.
- 5.3 If by the terms of any prospectus or by the conditions of allotment any amount is payable in respect of any shares by instalments, every such instalment shall be payable as if it were a call duly made by the Directors of which due notice had been given.
- 5.4 If a sum called in respect of a share is not paid on or before the day appointed for payment of the same, the person from whom the sum is due shall pay interest on the sum from the relevant day appointed for payment to the time of actual payment at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 25% per annum, as the Directors may agree to accept, but the Directors shall be at liberty to waive payment of such interest wholly or in part.
- 5.5 Any sum which by or pursuant to the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by or pursuant to the terms of issue, the same becomes payable, and in the case of non-payment all the relevant provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 5.6 The Directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.
- 5.7 The Directors may receive from any Member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called up on such shares as a payment in advance of calls, and such payment in advance of calls shall extinguish, to the extent of such payment the liability upon the shares in respect of which it is advanced, and the Company may pay interest upon the money so received, or so much of the same as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, at such rate as the Member paying such sum and the Directors agree, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 15% per annum. No payment in advance of calls shall entitle the shareholder to any part of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently due.

## **6. FORFEITURE OF SHARES**

- 6.1 If a Member fails to pay any call or instalment of a call before or on the day appointed for payment thereof, the Directors may at any time thereafter, during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and all expenses incurred by the Company by reason of such non-payment.

- 6.2 The notice shall name a further day (not earlier than fourteen days from the date of service of such notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment on or before the day and at the place appointed, the shares on which the call was made or instalment payable will be liable to be forfeited.
- 6.3 If the requirements of any such notice as is referred to in the two preceding Articles are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls, interest, expenses or instalments due in respect of the same has been made, be forfeited by a resolution of the Directors to that effect, and such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not actually paid before the forfeiture. Forfeiture shall be deemed to occur at the time of the passing of the said resolution of the Directors. The Directors may accept the surrender of any share liable to be forfeited under these Articles and in such case references in these Articles to forfeiture shall include surrender.
- 6.4 When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share and an entry of the forfeiture or surrender, with the date of such forfeiture, shall be made in the Register, but no forfeiture or surrender shall be invalidated by any failure to give such notice or make such entry.
- 6.5 Subject to the provisions of the Statutes, a forfeited share shall thereupon become the property of the Company and may within three years of forfeiture be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder of or entitled to the same, or to any other person, upon such terms and in such manner as the Directors think fit, and at any time before a sale, re-allotment, or disposal the forfeiture may be cancelled on such terms as the Directors think fit. The Directors may authorise some person to transfer a forfeited share to any other person in accordance with the terms of this Article.
- (a) A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares and shall surrender to the Company for cancellation the certificate or certificates for the forfeited shares, but shall notwithstanding the forfeiture remain liable to 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 and interest in relation to the same in accordance with Article 5.4, and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares, together with interest.
  - (b) The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and claims against the Company in respect of the share and all other rights and liabilities incidental to the share as between the Member whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Statutes given or imposed in the case of past Members.
- 6.6 The Directors may, at any time before any share so forfeited or surrendered shall have been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender upon such terms as they think fit.

- 6.7 A statutory declaration that the declarant is a Director or the Secretary of the Company, and that a share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts so stated as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal of the same, together with the certificate for the share delivered to a purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be so required) constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the share and the remedy of any person aggrieved by the sale or forfeiture shall be in damages only and against the Company exclusively.

## **7. TRANSFER OF SHARES**

- 7.1 All transfers of shares shall be effected by transfer in writing in the usual common form or in any other form approved by the Directors, and need not be under seal.
- 7.2 The instrument of transfer shall be signed by or on behalf of the transferor and, in the case of a partly paid share, by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect of the same. When an instrument of transfer purporting to have been properly signed by the transferor is deposited at the office or such other place as the Directors may appoint in respect of which the Company has given notice of receipt to the person appearing by such instrument of transfer to be the transferor, the Company shall (notwithstanding that such instrument is afterwards discovered to be invalid or void) be entitled as against such person to treat such instrument as a valid transfer and shall not be liable to such person for any payment made or act done on the basis of such instrument being valid before notice of any invalidity.
- 7.3 The Directors may decline to recognise any instrument of transfer, unless it is:
- (a) duly stamped, is deposited at the Office or such other place as the Directors may appoint, and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and the due execution by him of the transfer or, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do; and
  - (b) in respect of only one class of share; and
  - (c) in favour of not more than four transferees except in the case of executors or trustees of a deceased Member.
- 7.4 If the Directors refuse to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal and (except in the case of fraud) return to him the instrument of transfer.
- 7.5 The registration of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the Directors may from time to time determine.

- 7.6 The Company shall not be entitled to charge any fee in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, power of attorney, stop notice or other document relating to or affecting the title to any shares.
- 7.7 All instruments of transfer which are registered shall, subject to Article 7.8, be retained by the Company.
- 7.8 The Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder recognise a renunciation of the same by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.
- 7.9 The Company shall be entitled to destroy all instruments of transfer of shares and all other documents on the faith of which entries are made in the Register of Members at any time after the expiration of six years from the date on which such entry was made, and all dividend mandates or any variation or cancellation of the same and notifications of change of name or address at any time after the expiration of two years from the date of recording of the same, and all share certificates which have been cancelled at any time after the expiration of one year from the date of cancellation of the same. 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 every share certificate so destroyed was a valid and effective document duly and properly cancelled and every other document referred to in this Article and so destroyed was a valid and effective document in accordance with the recorded particulars of the same in the books or records of the Company **PROVIDED ALWAYS THAT:**
- (a) The provisions of this Article shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to such claim) to which the document might be relevant;
  - (b) Nothing contained in these Articles shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as provided in this Article or in any case where the conditions of proviso (a) above are not fulfilled;
  - (c) Reference in these Articles to the destruction of any document includes references to the disposal of the same in any manner.

## **8. TRANSMISSION OF SHARES**

- 8.1 In the case of the death of a Member the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.
- 8.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member or in consequence of a Member being of unsound mind or of any other event giving rise to a transmission of such entitlement by operation of law may, upon such evidence as to his title being produced as may from time to time be required by the Directors, and subject as provided in these Articles elect either to be registered

himself as the holder of the share or to have some person nominated by him registered as the holder of the same.

- 8.3 If the person becoming so entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by signing a transfer of the share in favour of that person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as if the event upon which transmission took place had not occurred and the notice or transfer were a transfer signed by such Member. The Directors may at any time give notice requiring any such person to make an election in accordance with this Article and if such notice is not complied with within sixty days the Directors may thereafter withhold payment of all dividends and other moneys payable in respect of such share until compliance with the same.
- 8.4 A person becoming entitled to a share in consequence of the death or bankruptcy of a Member or in consequence of a Member being of unsound mind or of any other event giving rise to a transmission of such entitlement by operation of law shall be entitled to receive and may give a discharge for all dividends and other moneys payable arising or accruing on or in respect of the share, but he shall not be entitled in respect of that share to receive notices of or to attend or vote at meetings of the Company, or, except as provided in this Article, to any of the rights or privileges of a Member until he shall have become a Member in respect of the share.

## **9. EXITS AND CHANGES OF CONTROL**

- 9.1 If 75% of the shareholders of the Company from time to time (together the "Selling Shareholders") upon receipt of an offer agrees to transfer any interest in shares in the Company where that transfer would result in a Change of Control, or an Exit, the Selling Shareholders shall have the option (the "Drag Along Option") to require all holders of the shares to transfer all of their shares to the Third Party Purchaser (or as the Third Party Purchaser shall direct) in accordance with this Article 9.
- 9.2 The Selling Shareholders may exercise the Drag Along Option by giving notice to that effect (a "Drag Along Notice") to all holders of shares (the "Dragged Shareholders") at least seven days before the transfer of the shares in the Company resulting in the Change of Control or the proposed completion of the Exit. A Drag Along Notice shall specify that the Dragged Shareholders are required to transfer all of their shares (the "Dragged Shares") pursuant to this Article 9, the price at which the Dragged Shares are to be transferred (calculated in accordance with Article 9.3, give reasonable detail of the terms of the offer received by the Selling Shareholders and the proposed date of transfer, or of the Exit.
- 9.3 A Drag Along Notice will require each Dragged Shareholder to sell their shares at the same price per share and on the same conditions as the shares in the Company are to be sold by the Selling Shareholders (but not further or otherwise).
- 9.4 Completion of the sale of the Dragged Shares under this Article 9 shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' shares in the Company unless all of the Dragged Shareholders and the Selling Shareholders agree otherwise.
- 9.5 Each Shareholder irrevocably appoints the Chairman of the Board of directors of the Company from time to time (the "Chairman") as their lawful attorney and for that purpose each shareholder authorises the Chairman to:
- 9.5.1 execute on behalf of the Shareholder in such manner as he thinks fit any stock transfer forms, proxy forms, consents to short notice and any other document required to be signed by shareholder in their capacity as a shareholder of the Company as are necessary to give effect to the transfer of the Dragged Shares held by the Shareholder pursuant to this Article 9; and
- 9.5.2 exercise such voting rights of the shareholder (whether in general meetings of the Company or meetings of the Board) as are necessary to give effect to the transfer of the Dragged Shares pursuant to this Article 9.

PROVIDED THAT the power of attorney granted in this Article 9 may only be exercised in the event that a Shareholder fails to transfer their Dragged Shares in accordance with provisions of this Article 9.

## **10. DISCLOSURE OF INTERESTS**

- 10.1
- (a) Provisions which are the same as Sections 211 (with the exception of subsection (10)), 212 and 213 of the Act shall be deemed to be incorporated into these Articles so as to apply to the Company and its shares and accordingly to apply as between the Company and each Member and shall be interpreted in accordance with provisions applicable to such Sections (other



than Section 220(2) of the Act) but such incorporation shall be without prejudice to the operation of such Sections in their statutory form in accordance with their respective terms.

- (b) Notwithstanding the remedies available to the Company under the provisions of the Statutes, if the registered holder or any other person appearing to be interested in any shares of the Company ("the defaulter") fails, within 28 days after the service of any notice issued by the Company pursuant to the powers contained in Article 10.1(a) by reference to Section 212 of the Act, to comply with any such notice or, in purported compliance, in the opinion of the Directors makes a statement which he knows to be false or recklessly makes any statement which is false, the Directors may in their absolute discretion serve or cause to be served upon the registered holder or holders of the relevant shares a notice (in this Article called a "28 day notice") stating, or stating to the effect that, in respect of the relevant shares (meaning the shares in respect of which the said notice shall have been issued by the Company) his right to attend and/or vote at any General Meeting of the Company or at any separate General Meeting of the holders of any class of shares shall have been suspended and such 28 day notice shall take effect forthwith upon its service.
- (c) Without prejudice to Article 10.1(b) if the defaulter fails within 14 days after the service of any notice issued by the Company pursuant to the powers contained in Article 10.1(a) by reference to Section 212 of the Act, to comply with any such notice or, in purported compliance, in the opinion of the Directors makes a statement which he knows to be false or recklessly makes any statement which is false and the shares of the Company in respect of which the said notice shall have been given shall represent not less than 0.25 per cent of the total issued shares of the same class then the Directors may in their absolute discretion serve or cause to be served upon the registered holder or holders of the relevant shares a notice (in this Article called a "14 day notice") which states that with effect from its service it shall have the effect of suspending all or any of the following rights in respect of the relevant shares, as stated, in the absolute discretion of the Directors, in the 14 day notice:
  - (i) to attend and/or vote at any General Meeting of the Company or at any separate General Meeting of the holders of any class of shares;
  - (ii) to receive payment of any sum otherwise due from the Company or, to receive any transfer of property of whatever nature from the Company or to receive the issue or allotment of any shares or other securities by the Company, (in each case) in respect of the relevant shares, whether as dividend or in respect of capital or otherwise;
  - (iii) to dispose of, or deal with, including without limitation by sale, transfer or renunciation of, all or any of the relevant shares, or any interest therein including any shares or other securities allotted (whether conditionally, provisionally or otherwise) provided that such restriction shall not prevent the registered holder of the relevant shares from entering into a sale and transfer of the relevant shares or any of them which would bring into operation the provisions of Article 10.2.

10.2 In the event of a transfer pursuant to a sale made on commercial terms of all or any of the relevant shares, any restrictions imposed by virtue of Article 10.1 shall

forthwith cease to have effect provided that this Article 10.2 shall only apply in respect of a sale of shares to any person, not being a person who has an interest in such shares or a person who is connected with any person who has an interest in such shares. For this purpose, Sections 208 and 209 of the Act shall apply for the determination of whether a person has an interest in shares and Section 346 of the Act shall apply for the determination of whether a person is connected with any such other person, and the Directors determination thereof shall be conclusive.

10.3 For the purpose of this Article 10 and without prejudice to any other type of interest, a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification under the said Section 212 which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant notification made under Article 10.1(a) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

10.4 The period during which the rights referred to in Article 10.1(b) or (c) shall be suspended shall commence on service (or deemed service in accordance with these Articles) of the 14 day notice or (as the case may be) the 28 day notice and shall continue, subject (if applicable) to Article 10.2, until the expiry of 7 clear days after the defaulter properly fulfils the obligation or complies with the notice to which he is subject as aforesaid or if earlier, when the Directors shall in their absolute discretion, determine.

10.5 The Directors shall cause the register kept by virtue of the incorporation of provisions the same as Section 211 of the Act into these Articles to have noted against the name of the defaulter the fact that the applicable rights in respect of the relevant shares have been suspended for so long as such suspension shall continue and shall cause such note to be deleted upon the defaulter complying with the notice to which he is subject as aforesaid.

10.6 The suspension of the right to payment by the Company of any sum otherwise due, or of the right to a transfer by the Company of any property or of the right to an issue or allotment by the Company of shares or other securities, (in each case) by reference to Article 10.1(c) (ii), shall not constitute the Company a trustee of any such sum, property or securities.

## **11. STOCK**

11.1 The Company may by ordinary resolution convert any paid up shares into stock, and re-convert any stock into paid up shares of any denomination.

11.2 The holders of stock may transfer all or part of their holding of such stock in the same manner, and subject to the same regulations, as would have applied to the shares from which the stock arose if they had not been converted, or as near thereto as circumstances admit, but the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable, but so that such minimum shall not exceed the nominal amount of each of the shares from which the stock arose.

11.3 The holders of stock shall, according to the amount and class of the stock held by them, have the same rights, privileges and advantages in all respects as if they held the shares from which the stock arose provided that no such privilege or advantage (except participation in dividends and profits of the Company and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.

- 11.4 All the provisions of these Articles applicable to paid up shares shall apply to stock, and in all such provisions the words "share" and "Member" shall include "stock" and "Stockholder" respectively. No such conversion shall affect or prejudice any preference or other special privilege.

## **12. INCREASE OF CAPITAL**

- 12.1 The Company may from time to time by ordinary resolution increase its capital by such sum, to be divided into shares of such amounts, as the resolution may prescribe.
- 12.2 All new shares shall be subject to the provisions of these Articles with reference to payment of calls, lien, forfeiture, transfer, transmission and otherwise, and, unless otherwise provided by these Articles or by the resolution creating the new shares or by the conditions of issue, the new shares shall be unclassified shares.

## **13. ALTERATION OF CAPITAL**

- 13.1 The Company may, subject to the provisions of the Statutes, from time to time by ordinary resolution:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) sub-divide its shares, or any of them, into shares of a smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions of the Statutes), and so that
    - (i) in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
    - (ii) the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares;
  - (c) 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 nominal value of the shares so cancelled;
  - (d) purchase its own shares (including any redeemable shares) in accordance with the provisions of the Statutes and with the sanction or the written consent of the holders of at least three fourths in the nominal value of, or an extraordinary resolution passed at a separate class meeting of the holders of any class of those shares;

and may by special resolution:

- (i) reduce its share capital and any capital redemption reserve fund and any share premium account in any manner authorised by the Statutes; and

- (ii) diminish the amount of its share capital by the amount of the shares so cancelled.

13.2 Whenever as a result of any consolidation of shares any Members would become entitled to fractions of a share, the Directors may for the purpose of eliminating such fractions sell the shares representing the fractions for the best price reasonably obtainable and distribute the proceeds of sale in due proportion among the Members who would have been entitled to the fractions of shares, and for the purpose of any such sale the Directors may authorise some person to transfer the shares representing the fractions to the purchaser of the same, whose name shall thereupon be entered in the Register of Members as the holder of the shares, and who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

#### **14. GENERAL MEETINGS**

14.1 Subject to the provisions of the Statutes, the Annual General Meeting shall be held at such time and place as the Directors may determine.

14.2 All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The Directors may call an Extraordinary General Meeting whenever they think fit, and Extraordinary General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Statutes.

#### **15. NOTICE OF GENERAL MEETINGS**

15.1 Subject to the provisions of the Statutes, an Annual General Meeting and an Extraordinary General Meeting for the passing of a special resolution and, save as provided in the Statutes, a resolution of which special notice has been given to the Company shall be called by twenty one days' notice at the least, and all other Extraordinary General Meetings shall be called by fourteen days' notice at the least. The notice shall be exclusive of the day on which it is served, or deemed to be served, and of the day for which it is given. Every notice shall be in writing and shall specify the place, the day and the time of meeting, and (in the case of special business) the general nature of such business, and in the case of an Annual General Meeting shall specify the meeting as such. The notice shall specify, with reasonable prominence, that a Member entitled to attend and vote 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. The notice shall be given to all the Members, (other than those who under the provisions of these Articles or under the rights attached to the shares held by them are not entitled to receive it), the Directors and the Auditors provided that the Company may determine that only those persons entered on the Register at the close of business on a day determined by the Company, such day being no more than 21 days before the day that notice of the meeting is sent, shall be entitled to receive such a notice and provided also that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

- (a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and
- (b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority

together holding not less than 95 per cent in nominal value of the shares giving that right.

- 15.2 The accidental omission to give notice of a meeting or to send to a form of proxy with a notice as required by these Articles to, or the non-receipt of notice of a meeting or form of proxy by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 15.3 For the purposes of determining which persons are entitled to attend or vote at a meeting and how many votes such person may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting.

## **16. PROCEEDINGS AT GENERAL MEETINGS**

- 16.1 All business shall be deemed special that is transacted at an Extraordinary General Meeting. All business that is transacted at an Annual General Meeting shall also be deemed special, with the exception of the declaration of dividends, the consideration of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the appointment of Directors in the place of those retiring by rotation or pursuant to Article 20.8 or otherwise, the fixing of the remuneration of such Directors if required, the reappointment of the retiring Auditors (other than retiring Auditors who have been appointed by the Directors to fill a casual vacancy), and the fixing of the remuneration of the Auditors.
- 16.2 No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. The appointment of a chairman shall not be treated as part of the business of the meeting. Save as otherwise provided in these Articles, two persons entitled to vote at the meeting each being a Member or a proxy for a Member or a representative of a corporation which is a Member (duly appointed as such in accordance with the Statutes) shall be a quorum for all purposes.
- 16.3 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of, or by, Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the meeting shall be dissolved.
- 16.4 The chairman (if any) of the board of Directors, or in his absence some other Director nominated by the chairman in writing, shall preside as chairman at every General Meeting of the Company, but if at any meeting neither the chairman nor such other Director is present within fifteen minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose some Director present to be chairman or if no Director is present, or if all the Directors present decline to take the chair, the Members present shall choose some Member present to be chairman.
- 16.5
- (a) The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from

time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, seven clear days' notice at the least, specifying the place, the day and the time of the adjourned meeting shall be given to the Members, the Directors and the Auditors, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as provided in this Article, it shall not be necessary to give any notice of an adjournment.

- (b) The chairman may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) to another time or place where it appears to him that (a) the Members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

- 16.6 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless on or before the declaration of the result of the show of hands a poll is demanded:
- (a) by the chairman; or
  - (b) by not less than two Members present in person or by proxy having the right to vote at the meeting; or
  - (c) by a Member or Members present in person or by proxy representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or
  - (d) by a Member or Members holding shares of 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.
- 16.7 Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of General Meetings of the Company shall be conclusive evidence that such is the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 16.8 A valid instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority (a) to demand or join in demanding a poll (and for the purposes of Article 16.6 a demand by a person as proxy for a Member shall be the same as a demand by the Member) and (b) to vote on a poll on the election of a chairman and on a motion to adjourn a meeting.
- 16.9 If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment of the same, and it is in the opinion of the chairman of the meeting of sufficient magnitude to vitiate the result of the voting.

- 16.10 If a poll is duly demanded, it shall be taken in such manner as the chairman may direct (including the use of ballot or voting papers or tickets), and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman may, in the event of a poll, appoint scrutineers (who need not be Members), and may fix some place and time for the purpose of declaring the result of the poll.
- 16.11 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 forthwith or at such time and place as the chairman directs not being more than thirty days from the date of the meeting or the adjourned meeting at which the poll was demanded.
- 16.12 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a further or casting vote.
- 16.13 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- 16.14 A demand for a poll may be withdrawn before the poll is taken or before the close of the meeting at which it is demanded (whichever is the earlier) and no notice need be given of a poll not taken immediately provided that the time and place at which it is to be taken was announced at the meeting at which it was demanded.

## **17. VOTES OF MEMBERS**

- 17.1 Subject to any special rights or restrictions as to voting attached to any share by or in accordance with these Articles, on a show of hands every Member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or proxy shall have one vote and on a poll every Member who is present in person or by proxy shall have one vote for every share of which he is the holder.
- 17.2 In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the share.
- 17.3 A Member of unsound mind in respect of whom an order has been made by any competent court may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person appointed by such court (who may vote by proxy) provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which such person claims to vote.
- 17.4 No Member shall, unless the Directors otherwise determine, be entitled in respect of any shares held by him to vote at any General Meeting either in person or by proxy, or to exercise any privilege as a Member, unless all calls or other sums presently payable by him in respect of those shares have been paid.
- 17.5 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote

not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

- 17.6 On a poll votes may be given either in person or by proxy. A Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
- 17.7 Any person (whether a Member or not) may be appointed to act as a proxy. A Member may appoint more than one proxy to attend on the same occasion. The deposit of an instrument of proxy shall not preclude a Member from attending in person at the meeting or any adjournment of the same.
- 17.8 The instrument appointing a proxy shall be in writing in any usual or common form, or such other form as may be approved by the Directors, and shall be signed by the appointor or by his agent duly authorised in writing, or if the appointor is a corporation shall be either under its common seal or under the hand of an officer or agent so authorised. The Directors may require evidence of the authority of any such officer or agent.
- 17.9 The instrument appointing a proxy and the authority (if any) under which it is signed, or a certified copy of such authority, shall be deposited at the Office, or at such other place in the United Kingdom as is specified for that purpose in the notice calling the meeting, or in any instrument of proxy sent out by the Company in relation to the meeting, not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.
- 17.10 A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal, or the revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of such death, insanity, revocation or transfer has been received by the Company at the Office three hours at least before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used or the holding of a poll subsequently thereto at which such vote is given.
- 17.11 The Directors may at the expense of the Company send, by post or otherwise, to the Members instruments of proxy (with or without provision for their return prepaid) for use at any General Meeting or at any separate meeting of the holders of any class of shares of the Company either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person, or one of a number of persons, specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the Members entitled to be sent a notice of the meeting and to vote by proxy at any such meeting. The accidental omission to send a form of instrument appointing a proxy to, or the non-receipt of such a form of proxy by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.



## **18. CORPORATIONS ACTING BY REPRESENTATIVES**

- 18.1 Any corporation which is a Member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at such meeting. The Directors may require evidence of the authority of any person purporting to act as a representative of any such corporation.

## **19. DIRECTORS**

- 19.1 Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors shall be not less than two but shall not be subject to any maximum.
- 19.2 A Director shall not be required to hold any share qualification, but shall nevertheless be entitled to receive notice of and to attend and speak at any General Meeting or at any separate meeting of the holders of any class of shares of the Company.
- 19.3 Each of the Directors other than an executive or Managing Director shall be entitled to be paid out of the funds of the Company by way of remuneration for his services as a Director such sum as the Directors may determine. The remuneration of the executive Directors in respect of their services as executives shall be as provided in Article 21.1. The Company by ordinary resolution may also vote extra remuneration to the Directors, which shall (unless otherwise determined by the resolution by which it is voted) be divided between the Directors as they may agree, or, failing agreement, equally. The Directors' remuneration shall be deemed to accrue from day to day. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or in attending and returning from meetings of the Directors or of committees of the Directors or General Meetings.
- 19.4 Any Director who serves on any committee or who devotes special attention to the business of the Company (including for this purpose the office of Chairman or Deputy Chairman whether or not such office is held in an executive capacity), or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission, participation in profits or otherwise as the Directors or a committee authorised by the Directors may determine.
- 19.5 Any Director (other than an alternate director acting in that capacity) may at any time appoint any other Director or any person approved by a majority of the Directors to be an alternate director of the Company, and may at any time remove any alternate director so appointed by him from office and, subject to such approval by the Directors, appoint another person in his place. An alternate director so appointed shall not be required to hold any share qualification and shall not be counted in reckoning the maximum number of Directors allowed by these Articles. Subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him an alternate Director shall be entitled to receive notices of all meetings of the Directors, and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in the absence of such

appointor. An alternate Director shall ipso facto cease to be an alternate Director on the happening of an event which if he were a Director would cause him to vacate such office or if his appointor ceases for any reason to be a Director provided that if any Director retires whether by rotation or otherwise but is reappointed, or is deemed to have been re-appointed 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. All appointments and removals of alternate directors shall be effected by notice in writing under the hand of the Director making or revoking such appointment sent to or left at the Office and shall be effective upon such delivery.

- 19.6 A Director or any other person may act as an alternate Director to represent more than one director and an alternate Director shall be entitled at meetings of the Directors or any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

- 19.7 An alternate director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. The remuneration of any such alternate director shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such part (if any) of the last mentioned remuneration as shall be agreed between the alternate director and the Director appointing him.

- 19.8 A Director, including an alternate director, may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director, and may act in a professional capacity for the Company, on such terms as to tenure of office, remuneration and otherwise as the Directors may determine.

- 19.9 Subject to the provisions of the Statutes and of these Articles, no Director or intending Director, including an alternate director, shall be disqualified by his office from contracting with the Company either with regard to his tenure of any other office or place of profit, or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way, whether directly or indirectly, interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement, by reason of such Director holding that office or of the fiduciary relationship thereby established.

- 19.10 Any Director, including an alternate director, may continue to be or become a Director or other officer or Member of or otherwise interested in any other company promoted by the Company or in which the Company may be interested, as a Member or otherwise, or which is a holding company of the Company or a subsidiary undertaking of any such holding company and no such Director shall be accountable for any remuneration or other benefits received by him as a Director or other officer or Member of, or from his interest in, any such other company. The Directors may exercise the voting power conferred by the shares of any other company held or owned by the Company or exercisable by them as Directors of any such holding company or subsidiary undertaking in such manner in all respects as they think fit (including the exercise of the same in favour of any resolution appointing themselves or any of them Directors or other officers of such company, or voting or providing for the payment of remuneration to the Directors or other officers of such company).

19.11 A Director, including an alternate director, who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of Directors. In the case of a proposed contract the declaration shall be made at the meeting of the Directors at which the question of the Company entering into the contract is first considered or, if the Director was not at the date of that meeting interested in the proposed contract, at the next meeting of Directors held after he became so interested. In a case where the Director becomes interested in a contract after it is made the declaration shall be made at the first meeting of the Directors held after the Director becomes so interested. In a case where the Director is interested in a contract which has been made before he was appointed a Director the declaration shall be made at the first meeting of the Directors held after he is so appointed.

19.12 For the purposes of the last preceding Article a general notice given to the Directors by any Director to the effect that he is a Member of any specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with such company or firm shall (if such Director shall give the same at a meeting of the Directors or shall take reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given) be deemed a sufficient declaration of interest in relation to any contract so made.

## **20. APPOINTMENT, ROTATION, REMOVAL AND DISQUALIFICATION OF DIRECTORS**

20.1 Subject to the provision of these Articles one-third of the Directors, or if three or a number divisible by three, the number nearest to but not exceeding one-third, shall retire from office at the annual general meeting in every year provided that each director shall retire from office at least once every three years. A director so retiring shall retain office until the close of that meeting.

20.2 Subject to the provisions of the Statutes and of these Articles, the Directors to retire in every year shall be those who have been longest in office since their last appointment or reappointment but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Subject to the preceding provisions of this Article, a retiring Director shall be eligible for reappointment.

20.3 The Company at the meeting at which a Director retires by rotation may fill the vacated office, and in default the retiring Director, if willing to act, shall be deemed to have been reappointed until the dissolution of the Annual General Meeting in the next year, unless at such first meeting it is expressly resolved not to fill the vacancy, or a resolution for the reappointment of such Director is put to the meeting and lost.

20.4 No person other than a Director retiring at the meeting shall, unless recommended by the Directors for appointment, be eligible for appointment to the office of a Director at any General Meeting unless, not less than seven nor more than fourteen days before the day appointed for the meeting (excluding the day the notice is lodged and the day of the meeting), there shall have been lodged at the Office notice in writing by some Member (not being the person specified in such notice to be proposed) duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for appointment and stating the name and address of such person, and also notice in writing signed by the person to be proposed of his willingness to be appointed.

- 20.5 At a General Meeting a motion for the appointment of two or more persons as Directors by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and for the purpose of this Article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.
- 20.6 The Company may from time to time by ordinary resolution increase or reduce the number of Directors, and may also determine in what rotation such increased or reduced number is to go out of office, and without prejudice to the provisions of the next following Article may by ordinary resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director.
- 20.7 The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Subject to the provisions of the Statutes and of these Articles, any Director so appointed shall hold office only until the conclusion of the next following Annual General Meeting, and shall be eligible for reappointment at that meeting. Any Director who retires under this Article shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.
- 20.8 Without prejudice to the provisions of the Statutes, the Company may, by ordinary resolution of which special notice has been given, remove a Director before the expiration of his period of office (but such removal shall be without prejudice to any claim such Director may have for breach of any contract of service between him and the Company) and may, by ordinary resolution, appoint another person in his stead. The person so appointed 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 but this provision shall not prevent him from being eligible for re-election.
- 20.9 Any contract of employment entered into by a Director with the Company shall not include a term that it is to be for a period exceeding five years unless such term is first approved by ordinary resolution of the Company.
- 20.10 The office of a Director shall be vacated in any of the following events:
- (a) if (not being a Director who has agreed to serve as a Director for a fixed term) he resigns his office by notice in writing under his hand sent to or left at the Office or delivered to the Directors at a meeting of the Directors or to the Secretary; or
  - (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (c) if in England or elsewhere an order is made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs or if he is admitted to hospital pursuant to an application for treatment under the Mental Health Act 1983, or the Mental Health (Scotland) Act 1960; or

- (d) if he is absent from meetings of the Directors for six successive months without leave unless prevented by illness, unavoidable accident or other cause which may seem to the Directors to be sufficient, and his alternate director (if any) shall not during such period have attended in his stead, and the Directors resolve that his office be vacated; or
- (e) if he ceases to be a Director by virtue of any provision of the Statutes; or
- (f) if he becomes prohibited by law from being a Director; or
- (g) if he shall be requested in writing by all of his other co-Directors to resign; or
- (h) if he is dismissed from executive office; or
- (i) if he is convicted of any criminal offence (other than an offence under the Road Traffic Acts for which a penalty of imprisonment cannot be imposed).

20.11 The provisions of the Statutes with regard to "Age limit for Directors", shall not apply to the Company. No Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of seventy or any other age and any Director retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed a Director shall be capable of being re-appointed or appointed, as the case may be, as a Director notwithstanding that at the time of such re-appointment or appointment he has attained the age of seventy, and no special notice need be given of any resolution for the re-appointment or appointment or approving the appointment as a Director of a person who shall have attained the age of seventy nor shall it be necessary to give to the Members notice of the age of any Director or person proposed to be re-appointed or appointed as such.

## **21. EXECUTIVE DIRECTORS**

- 21.1 The Directors may from time to time appoint any one or more of their body to be the holder of any executive office (including that of Managing Director) on such terms as they think fit, and may revoke or vary any such appointment. A Director so appointed shall receive such remuneration (whether by way of salary, commission, participation in profits and partly in one way and partly in another, or others, or otherwise) as the Directors or a committee of the Directors may determine. The appointment of a Director to any such executive office shall automatically be terminated if he ceases for any reason to be a Director. Any revocation or termination of any such appointment shall be without prejudice to any claim for breach of any contract between the Director and the Company.
- 21.2 The Directors may entrust to and confer upon any Director appointed to any such executive office any of the powers exercisable by them as Directors, other than the power to make calls or forfeit shares or issue debentures upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## 22. ASSOCIATE DIRECTORS

### 22.1

- (a) The Directors may from time to time appoint any manager or other officer or person in the employment of the Company or of any subsidiary undertaking within the Group or any Director of any such subsidiary undertaking or any Member of the Company or of any such subsidiary undertaking to be an associate director of the Company.
- (b) An associate director appointed under this Article shall not be required to hold any shares in the Company to qualify him for such office.
- (c) Save as otherwise agreed between him and the Company, the appointment of a person to be an associate director shall not affect the terms and conditions of his employment by the Company or by any subsidiary undertaking within the Group, whether as regards duties, remuneration, pension or otherwise, and his office as an associate director shall be vacated if he becomes (in the opinion of the Directors) of unsound mind or bankrupt, or if he would be prohibited by law from being a Director, or if he ceases to be a Director of any such subsidiary undertaking by virtue of any provision of the Statutes, or in the event of his ceasing to be in the employment of the Company or of any such subsidiary undertaking, or if he resigns his office or is removed from the office of an associate director by a resolution of the Directors.
- (d) The appointment, continuance in office, removal, powers, duties and remuneration of the associate directors or of any of them shall be determined by the Directors, who shall have full powers to make such arrangements for this purpose as they may think fit.
- (e) The associate directors shall not:
  - (i) be entitled to vote at meetings of Directors; and
  - (ii) except with and to the extent of the sanction of the Directors
  - (iii) have any right of access to the books or accounts of the Company;
  - (iv) be entitled to receive notices of or attend meetings of Directors; or
  - (v) be entitled to participate in any other respect in the exercise of the collective powers or duties of the Directors or to exercise any of the powers or rights of a Director individually under these Articles.
- (f) The Directors shall have the right to enter into any contracts on behalf of the Company or to transact any business of any description without the knowledge or approval of the associate directors.
- (g) No act shall be done by the Directors which would impose any personal liability on any or all of the associate directors, whether under the Statutes or otherwise, except with their prior knowledge and consent.
- (h) The appointment of an associate director shall not constitute him a Director for the purposes of these Articles or within the meaning of the expression

"Director" as defined in the Statutes, and an associate director may be given such job title or description by the Company as the Directors may deem appropriate.

## **23. POWERS AND DUTIES OF DIRECTORS**

- 23.1 The business of the Company shall be managed by the Directors who may exercise all powers of the Company subject to the provisions of the Memorandum of Association of the Company, these Articles and of the Statutes, and to such directions, whether or not inconsistent with these Articles, as may be prescribed by the Company by special resolution but no such direction and no alteration of these Articles or the Memorandum of Association of the Company shall invalidate any prior act of the Directors which would have been valid if such direction or alteration had not been given or made. The matters to which the Directors shall have regard in the performance of their functions shall include the interests of the Company's employees in general as well as the interests of its Members. The giving of any special authority or power to the Directors by any other provision of these Articles, or any resolution of the Members, shall not be construed so as to limit or restrict the general powers given to the Directors by this Article.
- 23.2 The Directors may establish any councils, committees, local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be Members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any council, committee, local board, manager, agent or Director any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the Members of any local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit. The Directors may remove any persons so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby. The Directors may exercise all the powers of the Company under Section 39 of the Act (relating to an official seal for use abroad).
- 23.3 The Directors may from time to time, and at any time, appoint any corporation, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the agent of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they think fit. Any such appointment may contain such provisions for the protection and convenience of persons dealing with any such agent as the Directors think fit, and may also authorise any such agent to sub-delegate all or any of the powers, authorities and discretions vested in him. The Directors may remove any person appointed under this Article and may revoke or vary the delegation but no person dealing in good faith and without notice shall be affected.
- 23.4 The Directors may cause to be kept in any part of Her Majesty's Dominions outside the United Kingdom, the Channel Islands or the Isle of Man in which the Company transacts business a branch register or Register of Members resident in such part of the said Dominions, and the Directors may (subject to the provisions of the Statutes) make and vary such regulations as they may think fit respecting the keeping of any such register.

- 23.5 The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- 23.6 All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

## **24. PRESIDENT**

- 24.1 The Directors may from time to time appoint a person who has held the office of Director of the Company, but who is no longer a Director of the Company, to be President of the Company for such period as the Directors may think fit and the Directors may also from time to time remove him from that position and appoint another such person in his place or leave the appointment vacant for such period as they think fit. The terms and conditions attaching to the Presidency (which position may be honorary or at a fee) may from time to time be fixed by the Directors.
- 24.2 The President shall be entitled to receive notice of and to attend and to speak at all General Meetings of the Company.
- 24.3 The Directors may furnish the President with any information as to the affairs of the Company as they think fit and the President shall be entitled to attend (but not to vote) at any Board Meeting to which he may be invited by the Directors.
- 24.4 The President shall not be a Director of the Company and shall not by reason of his appointment to or holding the position of President be deemed to become or be a Director of the Company for any of the purposes of the Statutes or of any provision of these presents referring to Directors and the President as such shall not, nor shall he be deemed to have, authority to enter into contracts or other transactions on behalf of the Company or otherwise to bind the Company.

## **25. PENSIONS ETC.**

- 25.1 The Directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to:
- (a) any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary undertaking of the Company or is allied to or associated with the Company or any such subsidiary undertaking or of any of the predecessors in business of the Company or any such other company as is referred to herein;
  - (b) any persons who may be or have been Directors or officers of the Company or of any such other company as is referred to herein and who hold or have



held executive positions or agreements for service with the Company or any such other company as is referred to herein; and

- (c) the husbands, wives, widowers, widows, families, common law spouses and dependants of any such persons.

25.2 The Directors may also establish subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company or of any such other company as is referred to herein, or of any such person as is referred to herein and make payments for or towards the insurance of any such person as is referred to herein.

25.3 Subject to particulars with respect to the proposed payment being disclosed to the Members of the Company and to the proposal being approved by the Company by ordinary resolution, if the Statutes shall so require, any Director who holds or has held any such executive position or agreement for services shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emoluments.

25.4 The Directors may also sanction the exercise of any power conferred upon the Company by Section 719 of the Act (relating to the making of provision for employees on cessation or transfer of business).

## **26. INDEMNITY INSURANCE FOR OFFICERS**

26.1 Subject to the provisions of the Act the Directors shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any other such company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any other such company, subsidiary undertaking or pension fund.

## **27. BORROWING POWERS**

27.1

- (a) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and subject to the provisions of the Statutes to issue debentures and other securities whether outright or as collateral security for any debt liability or obligation of the Company or of any third party.
- (b) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that, save with the

previous sanction of an ordinary resolution of the Company, no money shall be borrowed if the aggregate principal amount (including any premium payable on final repayment) outstanding of all moneys borrowed by the Group (excluding amounts borrowed by any Member of the Group from any other Member of the Group) less cash deposited then exceeds or would as a result of such borrowing exceed an amount equal to three times the aggregate of:

- (i) the nominal amount paid up on the share capital of the Company; and
  - (ii) the total reserves of the Group (including any share premium account, capital redemption reserve, merger reserve, property revaluation reserve, and credit balance on the combined profit and loss account) but excluding sums set aside for taxation and amounts attributable to outside shareholders in subsidiary undertakings of the Company and deducting any debit balance on the combined profit and loss account, all as shown in the then latest audited consolidated balance sheet of the Group, but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account and the capital redemption reserve, merger reserve, or property revaluation reserve of the Company since the date of its latest audited balance sheet and deducting therefrom an amount equal to any distributions by the Company out of profits earned prior to the date of its latest audited balance sheet and which have been declared, recommended, or made since that date except in so far as provided for in such balance sheet.
- (c) For the purposes of this Article "moneys borrowed" shall mean all moneys borrowed and without prejudice to the generality of the foregoing shall be deemed to include without limitation:
- (i) any amounts raised by the Company or any subsidiary undertaking under any acceptance credit and shall also include any amounts raised by way of acceptance (other than acceptances for the purchase of goods in the ordinary course of business);
  - (ii) unless already taken into account the nominal amount of any share capital and the principal amount of any indebtedness the repayment of which is guaranteed or secured or the subject of an indemnity by the Company or any subsidiary undertaking;
  - (iii) the principal amount for the time being outstanding in respect of any debenture of the Company or any subsidiary undertaking and any fixed or minimum premium on final repayment of the same;

but shall not include:

- (i) borrowings by the Company from any subsidiary undertaking, or borrowings by one subsidiary undertaking from another or by a subsidiary undertaking from the Company;
- (ii) that proportion of the borrowings of a partly owned subsidiary undertaking which corresponds to the proportion of its equity share capital not beneficially owned directly or indirectly by the Company (but only to the extent that an amount equivalent to such proportion

exceeds borrowings (if any) from such partly owned subsidiary undertaking by the Company or another subsidiary undertaking);

- (iii) borrowings for the purposes of repaying the whole or any part of borrowings by any of the Company and its subsidiary undertakings for the time being outstanding and to be so applied within six months of being so borrowed, pending their application for such purpose within such period;
- (iv) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any of the Company and its subsidiary undertakings is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade or by any other governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable in respect of the same which is so guaranteed or insured;
- (v) sums advanced or paid to any member of the Group (or its agent or nominee) 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 in relation thereto;
- (vi) sums which fall to be treated as monies borrowed by any member of the Group by reason only of any current statement of standard accounting practice or other accounting principle or practice; and
- (vii) monies 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

and "moneys borrowed" shall for the purposes of this Article be calculated after having deducted from borrowings or proposed borrowing all cash reserves, cash in hand and cash on current account with banks which, in any such case, is available to the Company or any of its subsidiary undertakings on demand or within six months of demand.

- (d) For the purposes of this Article "cash deposited" shall mean an amount equal to the aggregate for the time being outstanding of all cash deposits (otherwise than on current account) with banks, certificates of deposit and securities of governments and companies and similar instruments owned by the Company and/or any subsidiary undertaking of the Company but excluding:
  - (i) a proportion of the total amount for the time being outstanding of cash deposits and certificates of deposit and securities of governments or companies and similar instruments owned by any partly owned subsidiary undertaking which would otherwise fall to be included, such proportion being that which the issued ordinary share capital of such partly owned subsidiary undertaking which is not for the time being beneficially owned directly or indirectly by the Company bears to the whole of its issued ordinary share capital;
  - (ii) cash deposits of and certificates of deposit and similar instruments representing any 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.

- (e) When moneys denominated or repayable in a currency other than sterling fall to be taken into account on any day for the purposes of this Article, such moneys shall be converted for the purpose of calculating the sterling equivalent either:
  - (i) at the rate of exchange prevailing on that day in London provided that all but not some only of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business); or
  - (ii) where the repayment of such moneys is expressly covered by a ~~forward purchase contract at the rate of exchange specified in such contract.~~
- (f) A report by the Auditors as to the aggregate amount which may at any one time be borrowed by the Company and/or as to the amount which falls to be treated as moneys borrowed or cash deposited for the purposes of this Article shall be conclusive in favour of the Company and all persons dealing with the Company.
- (g) No debt incurred or security given by the Company or any of its subsidiary undertakings shall be invalid or ineffectual by virtue of any breach of the provisions of this Article except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded. No lender or other person dealing with the Company shall be concerned to see or enquire whether the provisions of this Article have been observed.

27.2 If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the Members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys, and the power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of Directors, and shall be assignable if expressed so to be.

27.3 All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors may from time to time by resolution determine.

## **28. PROCEEDINGS OF DIRECTORS**

28.1 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A Director who is also an alternate

Director shall be entitled, in the absence of the Director whom he is representing, to a separate vote on behalf of such Director in addition to his own vote but he shall count as only one for the purpose of determining whether a quorum be present. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom. Any Director may waive notice of Meeting and any such waiver may be retroactive.

28.2 Notice of Board Meetings shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address in the United Kingdom or any other address given by him to the Company for this purpose or sent by facsimile to him on the last known facsimile number given by him to the Company for this purpose.

28.3 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed at any other number shall be two. For the purposes of this Article an alternate director shall be counted in a quorum, but so that not less than three individuals shall constitute a quorum.

28.4 Save as provided in these Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has an interest which (together with any interest of any person connected with him within the meaning of Section 346 of the Act) is a material interest otherwise than by virtue of his interest in shares or debentures or other securities of, or otherwise in, or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

28.5

(a) A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

- (i) the giving of any security or indemnity to him in respect of money lent or obligation incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any subsidiary undertakings for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or subunderwriting thereof;
- (iv) any proposal concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of Section 346 of the Act) is not beneficially interested in one per cent. or more of the issued shares of any class of such body corporate (or of any third company through which his interest is derived) or of the voting rights available to Members of the relevant body corporate (any such interest being

deemed for the purpose of this Article to be a material interest in all circumstances);

- (v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes;
- (vi) any proposal concerning the adoption modification or operation of any scheme for enabling employees including full time executive directors of the Company and/or any subsidiary undertaking to acquire shares in the Company or any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings under which the Director benefits in a similar manner to employees including superannuation and retirement benefits; and
- (vii) any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any Directors of the Company or for persons who include Directors of the Company provided that for the purposes of this sub-paragraph insurance shall mean only insurance against liability incurred by a Director in respect of any act or omission by him referred to in Article 26 or any other insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any groups of persons consisting of or including Directors of the Company.

- (b) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under the proviso to paragraph (a) (iv) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment and the terms thereof.
- (c) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

28.6 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their body, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, or below the number fixed by or pursuant to these Articles as the quorum of Directors, the continuing Directors or Director may act for the purpose of filling any vacancies in their body or of summoning General Meetings of the Company, but not for any other purpose. If there are no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors. Any additional Director so appointed shall (subject to the provisions of the Statutes and these Articles) hold office only until the dissolution of the Annual General

Meeting of the Company next following such appointment unless re-elected at such Annual General Meeting.

- 28.7 The Directors may from time to time elect from their number, and remove, a chairman or joint chairman and one or more deputy chairmen and determine the period for which they are to hold office. The chairman, or in his absence a deputy chairman or some other Director nominated by the chairman in writing, shall preside at all meetings of the Directors, but if no such chairman or deputy chairman be elected, or if at any meeting neither the chairman nor a deputy chairman nor such other Director be present within five minutes after the time appointed for holding the same or if neither of them be willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting.
- 28.8 A resolution in writing, signed (whether by letter, telex, facsimile transmission or otherwise in writing) by or on behalf of all the Directors or members of a committee of the Directors for the time being in the UK and entitled to receive notice of a meeting of Directors, shall be as effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors or committee Members. A meeting of the Directors may, subject to notice of the same having been given in accordance with these Articles, be for all purposes deemed to be held when a Director is or Directors are in communication by telephone, television, or other televisual communication with another Director or Directors and a majority of such Directors agree to treat the meeting as so held provided that the number of the Directors constitutes a quorum, and a resolution of a majority of the Directors pursuant to this Article shall be as valid as it would have been if made by them at an actual meeting duly convened and held. A meeting held by telephone, television, or other televisual communication in accordance with these Articles shall be deemed to take place where the largest number of those Directors participating is assembled or, if there is no such largest number, where the chairman of the meeting then is.
- 28.9 A meeting of the Directors for the time being, at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
- 28.10 The Directors may delegate any of their powers to committees consisting of such Directors and persons co-opted by the Directors as they think fit **PROVIDED THAT** any such committee shall have at all times a majority of members who are Directors. Insofar as any such power or discretion is delegated to a committee any reference in these Articles to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise by such committee. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
- 28.11 The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.
- 28.12 All acts done bona fide by any meeting of Directors, or of a committee of Directors, or by any person acting as Director, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director, or person acting as a Director, or that they or any of them were disqualified, or had vacated office, or were not entitled to vote, be as valid as if every such person had

been duly appointed, and was qualified and had continued to be a Director and had been entitled to vote.

## **29. MINUTES**

29.1 The Directors shall cause minutes to be made:

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

29.2 Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were held, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.

## **30. SECRETARY**

30.1 The Secretary shall be qualified in accordance with the provisions of the Statutes and shall be appointed for such term, at such remuneration and upon such conditions, and may be removed by the Directors.

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

## **31. SEAL**

31.1 The Directors shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of a resolution of the Directors or of a committee of the Directors authorised in that behalf by the Directors. The Directors may from time to time make such regulations as they think fit (subject to the provisions of these Articles in relation to share and debenture certificates) determining the persons and the number of such persons who shall sign every instrument to which the seal is affixed, and until otherwise so determined every such instrument shall be signed by one Director and shall be countersigned by a second Director or by the Secretary.

31.2 Where the Statutes so permit, any instrument signed by one Director and the Secretary or by two Directors and expressed to be executed by the Company shall have the same effect as if executed under the Seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended to have effect as a deed without the authority of the Directors or of a committee authorised by the Directors in that behalf.

31.3 The Company may have official seals under the provisions of Sections 39 and 40 of the Act, for use as the Directors may determine. Wherever in these Articles



reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

- 31.4 Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any document affecting the constitution of the Company and any resolution passed at a shareholders' meeting or at a meeting of the Directors or any committee, and any book, record, document or account relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any book, record, document or account is elsewhere that at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of any such resolution, or an extract from the minutes of any such meeting, which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

## **32. DIVIDENDS**

- 32.1 The profits of the Company available for distribution (as defined in Section 263 of the Act) and resolved to be distributed shall be applied in the payment of dividend to the Members in accordance with their respective rights and priorities. The Company in General Meeting may declare dividends accordingly.
- 32.2 No dividend or interim dividend shall be payable otherwise than in accordance with the provisions of the Statutes and no dividend shall exceed the amount recommended by the Directors.
- 32.3 Subject to the rights of persons, if any, entitled to shares with preferential or other special rights as to dividends, all dividends shall be declared and paid according to the amounts paid up on the shares (otherwise than in advance of calls) in respect whereof the dividend is paid. All dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, except that if any share is issued on terms providing that it shall carry any particular rights as to dividend, such share shall rank for dividend accordingly.
- 32.4 Subject to the provisions of the Statutes and of these Articles, the Directors may, if they think fit, from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes, the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders of the same deferred or non-preferred rights, as well as in respect of those shares which confer on the holders of the same preferential rights with regard to dividend and the Directors may also pay half-yearly, or at other suitable intervals to be settled by them, any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment. Provided the Directors act bona fide they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights.

- ~~32.5 The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by~~

him to the Company on account of calls or otherwise in relation to the shares of the Company.

- 32.6 The waiver in whole or in part of any dividend or any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder or otherwise by operation of law) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
- 32.7 All dividends interest or other sums payable by the Company which remain unclaimed for a period of six months or more may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. No dividend shall bear interest as against the Company.
- 32.8 Any dividend which has remained unclaimed for a period of twelve years from the date of declaration of the same shall, if the Directors shall so resolve, be forfeited and cease to remain owing by the Company and shall thereafter belong to the Company absolutely. The payment of any unclaimed dividend interest or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee of the same.
- 32.9 Any dividend or other moneys payable on or in respect of a share may be paid by cheque or in cash or by bank transfer (whether by electronic media or otherwise) or money order or by warrant sent through the post to the registered address of the Member or person entitled to the same, and in the case of joint holders to any one of such joint holders, or to such person and such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such other person as the holder or joint holders may in writing direct, and payment of the cheque or warrants shall be a good discharge to the Company. Every payment shall be sent at the risk of the person entitled to the moneys represented by the same.
- 32.10 If several persons are registered as joint holders of any share or are entitled to be registered as joint holders of any share in consequence of the death, bankruptcy or unsound mind of the holder or otherwise by operation of law, any one of them may give effectual receipts for any dividends or other moneys payable on or in respect of the share.
- 32.11 A General Meeting declaring a dividend may, upon the recommendation of the Directors, direct by ordinary resolution payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and the Directors shall give effect to such resolution. Where any difficulty arises in regard to the distribution the Directors may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of the whole or part of such specific assets, and may determine that cash payment shall be made to any Members upon the footing of the value so fixed, in order to adjust the rights of Members, and may vest any specific assets in trustees upon trust for the persons entitled to dividend as may seem expedient to the Directors, and generally may make such arrangements for the allotment, acceptance and sale of the whole or part such specific assets or fractional certificates, and otherwise as they think fit.

### **33. RESERVES**

- 33.1 The Directors may before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company (including any premiums received upon the issue of debentures or other securities of the Company) such sums as they think proper as a reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting depreciation or contingencies or for special dividends or bonuses or for equalising dividends or for repairing improving or maintaining any property of the Company or for any other purpose to which the profits of the Company may properly be applied and, pending such application, may at the like discretion either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may divide the reserve into special funds as they think fit and may consolidate into one fund any special funds or parts of such funds into which the reserve may have been divided as they think fit. Any sum which the Directors may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Directors may also without placing the same to reserve, carry forward any profits which they may think prudent not to distribute.

### **34. CAPITALISATION**

- 34.1 The Company may by ordinary resolution on the recommendation of the Directors resolve that it is desirable to capitalise:
- (a) any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and not required for paying the fixed dividends on any shares entitled to fixed preferential dividends with or without further participation in profits and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised to the Members in the proportions in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends and to apply such sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such Members respectively or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, such shares or debentures to be allotted and distributed credited as fully paid up to and amongst such Members in such proportions or partly in one way and partly in the other Provided that a sum standing to the credit of a share premium account or a reserve account created under Article 32.8 may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to Members as fully paid capitalisation shares;
  - (b) any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in paying up in full unissued shares to be allotted as fully paid capitalisation shares to those Members who would have been entitled to that sum if it were distributed by way of dividend (and in the same proportions).
- 34.2 Whenever such a resolution as is referred to in Article 34.1 shall have been passed, the Directors shall give effect to any such resolution and shall make all appropriations and applications of the sum resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and

things required to give effect to the same, with full power to the Directors to make such provisions by the issue of fractional certificates or by payment in cash or otherwise as they think fit for those shares or debentures becoming distributable in fractions and to apply such exclusions or other arrangements as they may deem necessary or expedient to deal with legal or practical problems in respect of overseas shareholders and to authorise any person or persons to enter on behalf of all the Members entitled to the benefit of such appropriations and applications into an agreement with the Company providing for the allotment to them respectively of any shares to which they may be entitled credited as fully paid up upon such capitalisation or (as the case may require), for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the sum resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

### **35. RECORD DATE**

- 35.1 Notwithstanding any other provision of these Articles the Company or the Directors may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before any date on which such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

### **36. ACCOUNTS**

- 36.1 The Directors shall cause proper accounting records to be kept in accordance with the Statutes.
- 36.2 The accounting records shall be kept at the Office, or (subject to the provisions of the Statutes) at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. No Member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.
- 36.3 The Directors shall from time to time cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are specified in the Statutes.
- 36.4 The Auditors' report shall be read before the Company in General Meeting and shall be open to inspection as required by the Statutes.
- 36.5 A printed copy of the Directors' and Auditors' reports accompanied by printed copies of the balance sheet, profit and loss account and other documents required by the Statutes to be annexed to the balance sheet shall, not less than twenty-one days (excluding the day on which it is delivered or deemed to be delivered, and the day on which the Annual General Meeting is to be held) before the General Meeting before which they are to be laid, be delivered or sent by post to the registered address of every Member and holder of debentures of the Company, and to the Auditors and, if all or any of the shares in or debentures of the Company are for the time being listed on any Stock Exchange, there shall at the same time be forwarded to the Secretary of such Stock Exchange such number of copies of each of these documents as may be required by the regulations for the time being of such Stock Exchange. Provided that this Article shall not require a copy of these documents to be sent to any Member to whom a summary financial statement is sent in accordance with the

Statutes and provided further that this Article shall not require a copy of these documents to be sent to more than one of joint holders or to any person of whose address the Company is not aware, but any Member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

### **37. AUDIT**

- 37.1 Once at least in every year the accounts of the Company shall be examined and the correctness of the balance sheet, profit and loss account and group accounts (if any) ascertained by an Auditor or Auditors.
- 37.2 Auditors shall be appointed and their duties, powers, rights and remuneration regulated in accordance with the provisions of the Statutes.

### **38. NOTICES**

- 38.1 Any notice or document may be given or served by the Company on any Member either personally or by sending it through the post in a prepaid letter addressed to such Member at his address as appearing in the Register of Members. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
- 38.2 Any Member described in the Register of Members by an address not within the United Kingdom who from time to time gives to the Company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address, but, save as provided in this Article, no Member, other than a Member described in the Register of Members by an address within the United Kingdom, shall be entitled to receive any notice from the Company.
- 38.3 Any Member present, either in person or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting, and, where requisite, of the purposes for which such meeting was convened.
- 38.4 Every person who by operation of law, transfer or other means whatsoever becomes entitled to any share shall be bound by any notice in respect of such share, other than a notice issued by authority of Article 42, which, before his name and address are entered in the Register of Members, is duly sent to the last registered address of the person from whom he derives his title to such share.
- 38.5 Any notice required to be given by the Company to the Members or any of them, save as otherwise provided in these Articles or in the Statutes, shall be sufficiently given if given by advertisement inserted once in at least two national daily newspapers published in London.
- 38.6 Any notice or other document required to be served by the Company on any Member, if served by post, shall be deemed to have been served one day after (or, where second class mail is employed, two days) the letter containing the same is posted, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped, and duly posted. A notice to be given by advertisement shall be deemed to have been served at noon on the day on which the advertisement appears.

38.7 Any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead, bankrupt, of unsound mind or (being a corporation) in liquidation, and whether or not the Company has notice of the death, bankruptcy, insanity or liquidation of such Member, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder, unless his name has at the time of the service of the notice or document, been removed from the Register of Members as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

38.8 A notice convening a General Meeting shall be convened by notice sent through the post. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a General Meeting by notices sent through the post, a General Meeting may be convened by a notice advertised on the same date in at least two national daily newspapers published in London and such notice shall be deemed to have been duly served on all Members entitled thereto at noon on the day when the advertisements appear. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

### **39. UNTRACED SHAREHOLDERS**

39.1 The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a Member or any share or stock to which a person is entitled by transmission if and provided that:

- (a) for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Member or to the person entitled by transmission to the share or stock at his address on the Register or other the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Member or the person entitled by transmission provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final and no such dividend has been claimed; and
- (b) the Company has at the expiration of the said period of twelve years by advertisement in both a leading national daily newspaper and in a newspaper circulating in the area in which the address referred to in paragraph (a) of this Article is located given notice of its intention to sell such shares or stock; and
- (c) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person entitled by transmission.

39.2 To give effect to any such sale as is referred to in Article 38.1 the Company may appoint any person to execute as transferor an instrument of transfer of such share or stock and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such share or stock. The Company shall account to the Member or other person entitled to such share or stock for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and

the Company shall be deemed to be a debtor and not a trustee in respect thereof for such Member or other person. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

#### **40. WINDING UP**

- 40.1 If the Company is wound up (whether the liquidation is altogether voluntary, under supervision, or by the Court) the liquidator may, with the authority of an extraordinary resolution, and subject to any provision sanctioned by ordinary resolution of the Company under Section 719 of the Act divide among the Members in specie 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 properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Members or different classes of Members, but so that if any such division shall be otherwise than in accordance with the existing rights of the Members every Member shall have the same right of dissent and ancillary rights as if such resolution were a special resolution passed in accordance with Section 110 of the Insolvency Act 1986. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator, with the like authority, thinks fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Member shall be compelled to accept any shares in respect of which there is a liability.

#### **41. INDEMNITY OF OFFICERS**

- 41.1 Subject to the provisions of and so far as may be consistent with the Statutes, every Director, alternate director, Secretary or other officer of the Company and/or any other company in the Group shall be entitled to be indemnified by the Company out of its own funds against all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and/or any other company in the Group 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 under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

#### **42. UNCERTIFICATED SHARES**

- 42.1 Notwithstanding anything in these Articles to the contrary, any shares in the Company may be held in uncertificated form and title to shares may be transferred by means of a relevant system. Any provisions of these Articles shall not apply to any uncertificated shares to the extent that such provisions are inconsistent with:
- (a) the holding of shares in uncertificated form;
  - (b) the transfer of title to shares by means of a relevant system; or

- (c) any provision of The Uncertificated Securities Regulations 1995.

42.2 Notwithstanding anything in these Articles and without prejudice to the generality and effectiveness of the foregoing:

- (a) Articles 3, 7.1, 7.2 and 7.7 shall not apply to uncertificated shares.
- (b) In relation to uncertificated shares, the Directors may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted or required by The Uncertificated Securities Regulations 1995 and the relevant system;
- (c) references in these Articles to a requirement on any person to execute or deliver an instrument or transfer or certificate or other document which shall not be practicable in the case of uncertificated shares shall, in the case of uncertificated shares, be treated as references to a requirement to comply with any relevant requirements of the relevant system and any relevant ~~arrangements or regulations which the Directors may make from time to time pursuant to Article 42.2(h) below;~~
- (d) conversion of certificated shares into uncertificated shares, and vice versa, may be made in such manner as the Directors may, in their absolute discretion, think fit (subject always to The Uncertificated Securities Regulations 1995 and the facilities and requirements of the relevant system concerned);
- (e) the Company shall enter on the Register of Members the number of shares which are held by each Member in uncertificated form and in certificated form and shall maintain the Register of Members in each case as is required by The Uncertificated Securities Regulations 1995 and the relevant system concerned and, unless the Directors otherwise determine, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings;
- (f) unless the Directors otherwise determine or The Uncertificated Securities Regulations 1995 and/or the rules of the relevant system concerned otherwise require, any shares issued or created out of or in respect of any uncertificated shares shall be uncertificated shares and any shares issued or created out of or in respect of any certificated shares shall be certificated shares;
- (g) a class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares, or as a result of any provision of these Articles or The Uncertificated Securities Regulations 1995 which apply only in respect of certificated shares or uncertificated shares; and
- (h) the Directors may make such arrangements or regulations (if any) as they may from time to time in their absolute discretion think fit in relation to the evidencing issue and transfer of uncertificated shares, the payment of dividends or any other amount in respect of uncertificated shares and otherwise for the purpose of implementing and/or supplementing the provisions of this Article 42 and The Uncertificated Securities Regulations 1995 and the facilities and requirements of the relevant system concerned,



and such arrangements and regulations (as the case may be) shall have the same effect as if set out in this Article 42.

42.3 For the purposes of this Article 42:

- (a) words and expressions shall have the same respective meanings as in The Uncertificated Securities Regulations 1995;
- (b) references herein to an uncertificated share or to a share (or to a holding of shares) being in uncertificated form are references to that share being an uncertificated unit of a security; and
- (c) references herein to The Uncertificated Securities Regulations 1995 include any re-enactment or modification thereof or any regulations made in substitution therefor made under Section 207 of the Companies Act 1989 and from time to time in force.