

Company No. 11118708

THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION
OF
NEXT Group plc
(the “Company”)**



Adopted by Special Resolution on 20th December 2018

1. No regulation or articles set out in any statute, or in any statutory instrument or other subordinated legislation made under any statute, concerning companies (including the regulations in the Companies (Model Articles) Regulations 2008 shall apply as the articles of the Company.

2. In these articles:

“Act” means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

“articles” means the articles of association of the Company, as from time to time altered;

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

“communication” means the same as in the Electronic Communications Act 2000,

“directors” means the board of directors of the Company;

“electronic form” has the meaning given to it in section 1168 of the Act;

“electronic means” has the meaning given to it in section 1168 of the Act;

"executed"	includes any mode of execution;
"Fellow Subsidiary"	means a body corporate (if any), which is within the meaning of section 1162 of the Act a subsidiary undertaking of the Company's Ultimate Parent Undertaking;
"holder"	in relation to shares means the member whose name is entered in the register of members as the holder of the shares;
"Holding Company"	means the body corporate (if any), being a member of the Company, which is within the meaning of section 1159 of the Act a holding company of the Company, and a copy of any resolution of the board of directors (or equivalent body) of the Holding Company certified by any director or the secretary (or equivalent officer) of the Holding Company and deposited at the office or delivered at a meeting of the directors to the chairman or to the secretary or to any director of the Company shall be sufficient evidence of the passing of that resolution;
"office"	means the registered office of the Company;
"seal"	means the common seal of the Company;
"secretary"	means the secretary of the Company or, if there are joint secretaries, any of the joint secretaries and includes an assistant or deputy secretary and any person appointed by the board of directors to perform the duties of the secretary of the Company,
"Statutes"	means the Act, the Uncertificated Securities Regulations 2001 and every other statute, statutory instrument, regulation or order for the time being in force concerning the Company;
"Ultimate Parent Undertaking"	means the body corporate (if any), which is within the meaning of section 1162 of the Act the parent undertaking of the Company or any Holding Company or of the group of companies in which the Company is a subsidiary undertaking, and a copy of any resolution of the board of directors (or equivalent body) of the Ultimate Parent Undertaking certified by any director or the secretary (or equivalent officer) of the Ultimate Parent Undertaking and deposited at the office or delivered at a meeting of the directors to the chairman or to the secretary or to any

director of the Company shall be sufficient evidence of the passing of that resolution; and

“United Kingdom” means Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these articles bear the same meaning as in the Act including any statutory modification or re-enactment of that provision for the time being in force.

References to a document being “**signed**” or “**executed**” include references to it being executed under hand or in the case of an electronic communication, by electronic signature (as defined in section 7(2) of the Electronic Communications Act 2000).

LIABILITY OF MEMBERS

3. Limited liability

The liability of the members is limited to the amount, if any, unpaid on the shares in the Company held by them.

CHANGE OF NAME

4. Change of name

The name of the Company may be changed by resolution of the directors or by any other method prescribed under the Statutes.

SHARE CAPITAL

5. Allotment of shares

(A) Subject to the provisions of these articles and any resolution passed by the shareholders, the directors may offer, allot, grant options over or otherwise deal with or dispose of shares or grant rights to subscribe for or convert any security into shares to such person, at such times and for such consideration and upon such terms as the directors may decide.

(B) The directors are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to:

- (i) offer or allot,
- (ii) grant rights to subscribe for or to convert any security into,
- (iii) otherwise deal in, or dispose of,

any ordinary shares of £1 each in the company (**Ordinary Shares**) to any person, at any time and subject to any terms and conditions as the directors think proper.

6. Limitation on authority to allot

The authority referred to in Article 5:

- (A) shall be limited to a maximum nominal amount of £10,000,000,000;
- (B) shall only apply insofar as the company has not renewed, waived or revoked it by ordinary resolution; and
- (C) may only be exercised for a period of five years commencing on the date on which these articles are adopted, save that the directors may make an offer or agreement which would, or might, require Ordinary Shares to be allotted after the expiry of such authority (and the directors may allot Ordinary Shares in pursuance of an offer or agreement as if such authority had not expired).

7. Authority to allot shares and grant rights

The Company may from time to time pass an ordinary resolution referring to this article and authorising, in accordance with section 551 of the Act, the directors to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company and:

- (A) on the passing of the resolution the directors shall be generally and unconditionally authorised to allot such shares or grant such rights up to the maximum nominal amount specified in the resolution; and
- (B) unless previously revoked the authority shall expire on the day specified in the resolution (not being more than five years from the date on which the resolution is passed),

but any authority given under this article shall allow the Company, before the authority expires, to make an offer or agreement which would or might require shares to be allotted or rights to be granted after it expires.

8. Dis-application of pre-emption rights

- (A) Subject (other than in relation to the sale of treasury shares) to the directors being generally authorised to allot shares and grant rights to subscribe for or to convert any security into shares in the Company in accordance with section 551 of the Act, the Company may from time to time resolve, by a special resolution referring to this article, that the directors be given power to allot equity securities for cash and, on the passing of the resolution, the directors shall have power to allot (pursuant to that authority) equity securities for cash as if section 561 of the Act did not apply to the allotment but that power shall be limited to:
 - (i) the allotment of equity securities in connection with a rights issue; and

- (ii) the allotment (other than in connection with a rights issue) of equity securities having a nominal amount not exceeding in aggregate the sum specified in the special resolution,

and unless previously revoked, that power shall (if so provided in the special resolution) expire on the date specified in the special resolution of the Company. The Company may before the power expires make an offer or agreement which would or might require equity securities to be allotted after it expires.

(B) For the purposes of this article:

- (i) equity securities and ordinary shares have the meanings given in section 560 of the Act;
- (ii) rights issue means an offer or issue of equity securities open for acceptance for a period fixed by the directors to or in favour of holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings and holders of other equity securities if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities; but the directors may make such exclusions or other arrangements as the directors considers expedient in relation to treasury shares, fractional entitlements, record dates, shares represented by depositary receipts, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter; and
- (iii) a reference to the allotment of equity securities includes (pursuant to sections 560(2) and (3) of the Act) the grant of a right to subscribe for, or to convert any securities into, ordinary shares in the Company, and the sale of any ordinary shares in the Company or (as the case may be) shares of a particular class, that immediately before the sale, were held by the Company as treasury shares.

9. Rights attached to shares

Subject to the provisions of the Statutes and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.

10. Power to issue redeemable shares

Subject to the provisions of the Statutes, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by the articles or as may be determined by the directors. The terms, conditions and manner of redemption of such shares may be determined by the directors before the shares are allotted.

11. Power to purchase own shares

Subject to the Statutes, and to any rights conferred on the holders of any class of shares, the Company may purchase all or any of its shares of any class, including any redeemable shares.

12. Power to reduce capital

Subject to the Statutes and to any rights conferred on the holders of any class of shares, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

13. Power to pay commission

The Company may exercise the powers of paying commissions conferred by the Statutes. Subject to the provisions of the Statutes, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

14. Trusts not recognised

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.

VARIATION OF RIGHTS

15. Variation of rights

(A) Whenever the share capital of the Company is divided into different classes of shares, all or any of the rights for the time being attached to any class of shares in issue may from time to time (whether or not the Company is being wound up) be varied in such manner as those rights may provide or (if no such provision is made) either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the authority of a special resolution passed at a separate general meeting of the holders of those shares.

(B) The provisions of these articles relating to general meetings of the Company or to the proceedings at general meetings shall apply, mutatis mutandis, to every such separate general meeting, except that:

- (i) the quorum at any such meeting (other than an adjourned meeting) shall be two members present in person or by proxy holding at least one-third in nominal amount of the issued shares of the class;
- (ii) at an adjourned meeting the quorum shall be one member present in person or by proxy holding shares of the class;

- (iii) every holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him; and
 - (iv) a poll may be demanded by any one holder of shares of the class whether present in person or by proxy.
- (C) Unless otherwise expressly provided by the rights attached to any class of shares those rights shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them or by the purchase or redemption by the Company of any of its own shares.

UNCERTIFIED SHARES

16. Uncertified Shares

- (A) Under the uncertificated securities rules, the directors can allow the ownership of shares to be evidenced without share certificates and for these shares to be transferred through CREST. The directors can select and make arrangements for any class of shares to participate in CREST in this way, provided that the shares of the class are identical in all respects. As long as the directors comply with the uncertificated securities rules, they can also withdraw a class of shares from being transferred through CREST and from allowing ownership of them to be evidenced without share certificates. CREST shares do not form a class of shares separate from certificated shares with the same rights.
- (B) If the company has any shares in issue which are CREST shares, these articles apply to those shares, but only as far as they are consistent with:-
- (i) holding shares in an uncertificated form;
 - (ii) transferring shares through CREST;
 - (iii) any provision of the uncertificated securities rules; or
 - (iv) the company exercising any of its powers or functions or doing anything through CREST,

and, without affecting the general nature of this article, no provision of these articles applies so far as it is inconsistent with the maintenance, keeping or entering up by the Operator, so long as that is permitted or required by the uncertificated securities rules, of an Operator register of securities in respect of CREST shares.

- (C) CREST shares can be changed to become certificated shares and certificated shares can be changed to become CREST shares, provided the requirements of the uncertificated securities rules are met.
- (D) If under these articles or the legislation the company can sell, transfer or otherwise dispose of, forfeit, re-allot, accept the surrender of or otherwise enforce

a lien over a CREST share, then, subject to these articles and the legislation, the directors may:

- (i) require the holder of that CREST share by written notice to change that CREST share to a certificated share within a period specified in the notice and to keep it as a certificated share for as long as the directors require;
 - (ii) appoint any person to take any other steps, by instruction given through CREST or otherwise, in the name of the holder of that share as may be necessary to effect the transfer of that share and these steps will be as effective as if they had been taken by the registered holder of that share; and
 - (iii) take any other action that the directors consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of that share.
- (E) Unless the directors decide otherwise, CREST shares held by a shareholder will be treated as separate holdings from any certificated shares which that shareholder holds.
- (F) Unless the uncertificated securities rules otherwise require or the directors otherwise determine, shares which are issued or created from or in respect of CREST shares will be CREST shares and shares which are issued or created from or in respect of certificated shares will be certificated shares.
- (G) The company can assume that entries on any record of securities kept by it as required by the uncertificated securities rules and regularly reconciled with the relevant Operator register of securities are a complete and accurate reproduction of the particulars entered in the Operator register of securities and therefore will not be liable in respect of anything done or not done by or on its behalf in reliance on such assumption; in particular, any provision of these articles which requires or envisages action to be taken in reliance on information contained in the register allows that action to be taken in reliance on information contained in any relevant record of securities (as so maintained and reconciled).

SHARE CERTIFICATES

17. Issue of share certificates

Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares of any class, to a certificate for the balance of such holding or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more

than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

18. Charges for and replacement of share certificates

- (A) If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.
- (B) Every share certificate sent in accordance with these articles will be sent at the risk of the member or other person entitled to the certificate. The Company will not be responsible for any share certificate lost or delayed in the course of delivery.

LIEN

19. Lien on partly paid shares

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) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien on a share shall extend to any amount payable in respect of it.

20. Enforcement of lien

- (A) The Company may sell in such manner as the directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
- (B) To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- (C) The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES AND FORFEITURE

21. Calls

- (A) Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares.
- (B) A call may be required to be paid by instalments or in one sum.
- (C) A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part.
- (D) A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
- (E) A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- (F) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

22. Interest on calls

If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined in section 609 of the Act), but the directors may waive payment of the interest wholly or in part.

23. Sums treated as calls

An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call.

24. Power to differentiate

Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.

FORFEITURE OF SHARES

25. Notice of unpaid calls

- (A) If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
- (B) If the notice is not complied with, any share in respect of which it was given may, (before the payment required by the notice has been made), be forfeited by a resolution of the directors, and the forfeiture shall include all dividends declared and/or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

26. Disposal of forfeited shares

Subject to the provisions of the Statutes, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.

27. Arrears to be paid notwithstanding forfeiture

A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation any certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares, together with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in section 609 of the Act) from the date of forfeiture until payment, but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

28. Statutory declaration as to forfeiture

A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

TRANSFER OF SHARES

29. Right to transfer

- (A) Subject to the restrictions in these articles, a member may transfer all or any of his shares in any manner which is permitted by the Statutes and is from time to time approved by the directors.
- (B) Any member may transfer all or any of his uncertificated shares by means of a relevant system in such manner provided for, and subject as provided in, the uncertificated securities rules, and accordingly no provision of these articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the share to be transferred.
- (C) Any member may transfer all or any of his certificated shares by an instrument of transfer of a share in any usual form or in any other form which the directors may approve and shall be signed by or on behalf of the transferor and (except in the case of a fully paid share) by or on behalf of the transferee.

30. Right to refuse registration of transfer

- (A) The directors may, in their absolute discretion, refuse to register any instrument of transfer of a certificated share:
 - (i) which is not fully paid up but, in the case of a class of shares which has been admitted to official listing by the UKLA, not so as to prevent dealings in those shares from taking place on an open and proper basis; or
 - (ii) on which the Company has a lien.
- (B) The directors may also refuse to register any instrument of transfer of a certificated share unless:
 - (i) left at the office, or at such other place as the directors may decide, for registration,
 - (ii) accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the directors may reasonably require to prove the title of the intending transferor or his right to transfer the shares; and
 - (iii) in respect of only one class of shares.
- (C) All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the directors refuse to register shall (except in any case where fraud or any other crime involving dishonesty is suspected in relation to such transfer) be returned to the person presenting it.

31. Other provisions in relation to transfer

- (A) No fee shall be charged for registration of a transfer or other document or instruction relating to or affecting the title to any share.
- (B) The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of the share.
- (C) Nothing in these articles shall preclude the directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
- (D) Unless otherwise agreed by the directors in any particular case, the maximum number of persons who may be entered on the register as joint holders of a share is four.

32. Notice of refusal

If the directors refuses to register a transfer of a certificated share it shall, as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged, give to the transferee notice of the refusal together with reasons for refusal. The directors shall provide the transferee with such further information about the reasons for the refusal as the transferee may reasonably request.

TRANSMISSION OF SHARES

33. Transmission on death

If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest, but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been solely or jointly held by him.

34. Election of person entitled by transmission

A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.

35. Rights of person entitled by transmission

- (A) Subject to paragraph (B) below, a person becoming entitled to a share in consequence of the death or bankruptcy of a member or any other event giving rise to a transmission by operation of law having been proved to the satisfaction of the directors shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.
- (B) The directors may at any time give notice requiring any person becoming entitled to a certificated share in consequence of the death or bankruptcy of a member or any other event giving rise to a transmission by operation of law having been proved to the satisfaction of the directors to elect to be registered as holder of the share and if the notice is not complied with within ninety days of issue the directors may at any time after the expiry of that period withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been satisfied.
- (C) A person entitled by transmission to a share in uncertificated form who elects to have some other person registered shall either:
 - (i) procure that instructions are given by means of the relevant system to effect transfer of such uncertificated share to that person; or
 - (ii) change the uncertificated share to a certificated form and execute an instrument of transfer of that certificated share to that person.

DISCLOSURE OF INTERESTS IN SHARES

36. Disclosure of interests in shares

- (A) This article applies where the Company gives to the holder of a share or to any person appearing to be interested in a share a notice requiring any of the information mentioned in section 793 of the Act (a **section 793 notice**).
- (B) If a section 793 notice is given by the Company to a person appearing to be interested in any share, a copy shall at the same time be given to the holder, but the accidental omission to do so or the non-receipt of the copy by the holder shall not prejudice the operation of the following provisions of this article.
- (C) If the holder of, or any person appearing to be interested in, any share has been given a section 793 notice and, in respect of that share (a **default share**), has been in default for a period of 14 days after the section 793 notice has been given in supplying to the Company the information required by the section 793 notice, the restrictions referred to below shall apply. Those restrictions shall continue for the period specified by the directors, being not more than seven days after the earlier of:

- (i) the Company being notified that the default shares have been sold pursuant to an exempt transfer; or
 - (ii) due compliance, to the satisfaction of the directors, with the section 793 notice. The directors may waive these restrictions, in whole or in part, at any time.
- (D) The restrictions referred to above are as follows:
 - (i) if the default shares in which any one person is interested or appears to the Company to be interested represent less than 0.25% of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares, to attend or to vote, either personally or by proxy, at any general meeting of the Company; or
 - (ii) if the default shares in which any one person is interested or appears to the Company to be interested represent at least 0.25% of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares:
 - (a) to attend or to vote, either personally or by proxy, at any general meeting of the Company;
 - (b) to receive any dividend or other distribution; or
 - (c) to transfer or agree to transfer any of those shares or any rights in them.

The restrictions in subparagraphs (i) and (ii) above shall not prejudice the right of either the member holding the default shares or, if different, any person having a power of sale over those shares to sell or agree to sell those shares under an exempt transfer.

- (E) If any dividend or other distribution is withheld under paragraph (D)(ii) above, the member shall be entitled to receive it as soon as practicable after the restriction ceases to apply.
- (F) If, while any of the restrictions referred to above apply to a share, another share is allotted in right of it (or in right of any share to which this paragraph applies), the same restrictions shall apply to that other share as if it were a default share. For this purpose, shares which the Company allots, or procures to be offered, pro rata (disregarding fractional entitlements and shares not offered to certain members by reason of legal or practical problems associated with issuing or offering shares outside the United Kingdom) to holders of shares of the same class as the default share shall be treated as shares allotted in right of existing shares from the date on which the allotment is unconditional or, in the case of shares so offered, the date of the acceptance of the offer.

- (G) For the purposes of this article:
- (i) an exempt transfer in relation to any share is a transfer pursuant to:
 - (a) a sale of the share on a recognised investment exchange in the United Kingdom or on any stock exchange outside the United Kingdom on which shares of that class are listed or normally traded;
 - (b) a sale of the whole beneficial interest in the share to a person whom the directors are satisfied is unconnected with the existing holder or with any other person appearing to be interested in the share; or
 - (c) acceptance of a takeover offer (as defined for the purposes of Part 28 of the Act);
 - (ii) the percentage of the issued shares of a class represented by a particular holding shall be calculated by reference to the shares in issue at the time when the section 793 notice is given; and
 - (iii) a person shall be treated as appearing to be interested in any share if the Company has given to the member holding such share a section 793 notice and either (i) the member has named the person as being interested in the share or (ii) (after taking into account any response to any section 793 notice and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the share.
- (H) The Company may exercise any of its powers under Article 10 in respect of any default shares in uncertificated form.
- (I) The provisions of this article are without prejudice to the provisions of section 794 of the Act and, in particular, the Company may apply to the court under section 794(1) of the Act whether or not these provisions apply or have been applied.

ALTERATION OF SHARE CAPITAL

37. Sub-division

The Company may by ordinary resolution:

- (A) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; and
- (B) subject to the provisions of the Statutes, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others.

38. Fractions

Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

39. Reduction of share capital

Subject to the provisions of the Statutes, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

GENERAL MEETINGS

40. Annual general meetings

The directors shall convene and the Company shall hold annual general meetings in accordance with the Statutes.

41. Calling general meetings other than annual general meetings

The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Statutes, shall forthwith proceed to convene a general meeting in accordance with the provisions of the Statutes.

42. Attendance

Two or more persons who may not be in the same place as each other can attend a general meeting if their circumstances are such that they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them. Unless otherwise specified in the notice of the meeting or determined by the chair of the meeting, the general meeting is deemed to take place at the place where the chair of the meeting is at the time of the meeting.

43. Separate general meetings

Subject to these articles and to any rights for the time being attached to any class of shares in the Company, the provisions of these articles relating to general meetings of the Company (including, for the avoidance of doubt, provisions relating to the proceedings at general meetings or to the rights of any person to attend or vote or be represented at general meetings or to any restrictions on these rights) shall apply, mutatis mutandis, in relation to every separate general meeting of the holders of any class of shares in the Company.

NOTICE OF GENERAL MEETINGS

44. Length and form of notice

- (A) Subject to the Statutes, an annual general meeting shall be called by not less than 21 clear days' notice and all other general meetings shall be called by not less than 14 clear days' notice or by not less than such minimum notice period as is permitted by the Statutes.
- (B) The notice shall comply with all applicable requirements of the Statutes and shall specify whether the meeting will be an annual general meeting.
- (C) The notice shall specify the time and place of the meeting and the general nature of the business to be transacted.
- (D) Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members and to the directors.

45. Omission or non-receipt of notice

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

PROCEEDINGS AT GENERAL MEETINGS

46. Quorum

- (A) No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation or its proxy shall be a quorum.
- (B) If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.

47. Chairman

- (A) The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.

- (B) If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

48. Right to attend and speak

- (A) A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
- (B) The chairman may invite any person to attend and speak at any general meeting of the Company if he considers that such person has the appropriate knowledge or experience of the Company's business to assist in the deliberations of the meeting.
- (C) A proxy shall be entitled to speak at any general meeting of the Company.

49. Adjournment

The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

50. Method of voting and demand for a poll

- (A) A resolution put to the vote of a meeting shall be decided on a show of hands unless (before, or immediately after the declaration of the result of, the show of hands) a poll is duly demanded. Subject to the provisions of the Statutes, a poll may be demanded:
 - (i) by the chairman; or
 - (ii) by at least two members having the right to vote at the meeting; or
 - (iii) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (iv) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

- (B) Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (C) The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- (D) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

51. How a poll is to be taken

- (A) A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- (B) A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded.
- (C) No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- (D) The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

VOTES OF MEMBERS

52. Voting rights

Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, unless the proxy (in either case) or the representative is himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.

53. Voting rights of joint holders

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.

54. Voting rights of members incapable of managing their affairs

A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs, may vote at any general meeting of the company and may exercise any other right conferred by membership in relation to general meetings by or through any person authorised in such circumstances to do so on his behalf (and that person may vote by proxy). Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy, not less than 48 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

55. Voting rights suspended where sums overdue

No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

56. Objections to admissibility of votes

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 tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

PROXIES

57. Proxies

On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.

58. Appointment of proxy

- (A) The appointment of a proxy shall be executed by or on behalf of the appointor and shall be in any usual or common form, or such other form as may be approved by the directors.

(B) The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:

(i) in the case of an instrument in writing, be deposited at the office or at such other place within the United kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or

(ii) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:

(a) in the notice convening the meeting; or

(b) in any instrument of proxy sent out by the Company in relation to the meeting; or

(c) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting;

be received at such address not less than 48 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

(iii) in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time appointed for the taking of the poll; or

(iv) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

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

(C) In this article and the next, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

59. Notice of revocation of authority

A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of

the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

DIRECTORS

60. Number of directors

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall be not less than two.

61. Appointment of directors

- (A) Subject to the provisions of these articles, the company may by ordinary resolution elect any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing directors.
- (B) Subject to the provisions of these articles, the directors may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing directors.
- (C) Directors need not be members.

ALTERNATE DIRECTORS

62. Power to appoint alternate directors

- (A) Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
- (B) An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom nor shall any meeting of directors be invalid by reason that notice thereof or of any business to be transacted thereat was not given to any alternate director if his appointor attends such meeting.
- (C) An alternate director shall cease to be an alternate director if his appointor ceases to be a director.

- (D) Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors.
- (E) Save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

POWERS OF DIRECTORS

63. General powers of the directors to manage the Company's business

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

64. The directors' power to appoint agents

The directors may, by power of attorney or otherwise, appoint any person 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 the articles) and upon such conditions as they may think fit, and may also authorise any such agent to delegate all or any of the powers, authorities and discretions vested in or exercisable by him. The directors may revoke or alter any such appointment but no person dealing in good faith and without notice of any such revocation or alteration shall be affected by it.

65. Provisions for employees

The directors may exercise any of the powers conferred by the Statutes to make provision for the benefit of any persons employed or formerly employed by the Company or any of its subsidiary undertakings (or any member of his family or any person who is dependent on him) in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiary undertakings. Any payments to be made pursuant to the power exercised under this article shall be made in accordance with section 247 of the Act.

66. Power to act notwithstanding vacancy

The continuing directors or the sole continuing director at any time may act notwithstanding any vacancy in their number; but, if the number of directors is less than the number of directors fixed as a quorum for board meetings, they or he may act for the purpose of filling up vacancies or calling a general meeting of the Company, but not for

any other purpose. If no director is able or willing to act, then any two members may summon a general meeting for the purpose of appointing directors.

DELEGATION OF DIRECTORS' POWERS

67. Delegation to committees or individual directors

The directors may delegate any of their powers, authorities and discretions to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers, authorities and discretions as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers, authorities and discretions and may be revoked or altered but no person dealing in good faith and without notice of any such revocation or alteration shall be affected by it. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

68. Vacation of office by director

Without prejudice to the provisions for retirement contained in these articles, the office of a director shall be vacated if:

- (A) he resigns his office by notice in writing sent to or received at the office or at an address specified by the company for the purposes of communication by electronic means or tendered at a meeting of the directors; or
- (B) by notice in writing sent to or received at the office or at an address specified by the company for the purposes of communication by electronic means or tendered at a meeting of the directors, he offers to resign and the directors resolves to accept such offer, or
- (C) a notice in writing removing him as a director is sent to or received at the office or at an address specified by the company for the purposes of communication by electronic means or tendered at a meeting of the directors, and such notice is given by all of the other directors and all of the other directors are not less than three in number; or
- (D) he is or has been suffering from mental or physical ill health and the directors resolves that his office is vacated; or
- (E) he is absent without the permission of the directors from meetings of the directors (whether or not an alternate director appointed by him attends) for six consecutive months and the directors resolves that his office is vacated; or
- (F) he becomes bankrupt or compounds with his creditors generally; or

- (G) he is prohibited by law from being a director; or
- (H) he ceases to be a director by virtue of the Companies Acts or is removed from office pursuant to these articles.

REMUNERATION OF DIRECTORS

69. Additional remuneration

Any director who performs services which in the opinion of the directors or any committee authorised by the directors go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the directors or any committee authorised by the directors may in its discretion decide in addition to any remuneration provided for by or pursuant to any other article.

70. Directors' expenses

The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties. The company may also fund a director's or former director's expenditure and that of a director or former director of any holding company of the company for the purposes permitted under the Act and may do anything to enable a director or former director or a director or former director of any holding company of the company to avoid incurring such expenditure as provided in the Act.

71. Provision of benefits

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

DIRECTORS' OFFICES AND INTERESTS

72. Executive directors

Subject to the provisions of the Statutes, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any

such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.

73. Declarations of interest

Subject to the provisions of the Statutes, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:

- (i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company or in which the Company is otherwise interested;
- (ii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (iii) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

74. Provisions applicable to declarations of interest

(A) For the purposes of Article 73:

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

(B) A director notwithstanding his office shall not, by reason of his office, be accountable to the Company for any remuneration he derives from any office or employment that he holds with any company in which the Ultimate Parent Undertaking or any of its subsidiary undertakings is directly or indirectly interested.

(C) To avoid conflicts of interests where a director would be in breach of his duty under section 175 of the Act, the directors are hereby authorised to act as an

officer and/or as an employee of the Ultimate Parent Undertaking and/or of any of its subsidiary undertakings and/or any company in which the Ultimate Parent Undertaking or any of its subsidiary undertakings is directly or indirectly interested. If a director has obtained any information through such office or employment otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to:

- (i) disclose such information to the directors or to any director or other officer or employee of the Company; or
- (ii) use or apply any such information in performing his duties as a director;

where to do so would amount to a breach of that confidence.

75. No infringement of section 176 of the Act

A director will not infringe any duty he owes to the Company by virtue of section 176 of the Act provided he acts in accordance with the terms of any policy of the Ultimate Parent Undertaking in force from time to time regarding the acceptance of benefits from third parties and provided that the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest or duty.

PROCEEDINGS OF DIRECTORS

76. Board meetings

Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors.

77. Notice of board meetings

- (A) Notice of a board meeting shall be deemed to be properly 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 or any other address given by him to the company for this purpose. A director may waive his entitlement to notice of any meeting either prospectively or retrospectively and any retrospective waiver shall not affect the validity of the meeting or of any business conducted at the meeting.
- (B) It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom.

78. Voting

Questions arising at a meeting shall be decided by a majority of votes. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote. In the case of an equality of votes that chairman of the meeting shall have a second or casting vote.

79. Quorum

- (A) 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. Subject to these articles, any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the end of the board meeting if no other director objects and if otherwise a quorum of directors would not be present.
- (B) A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

80. Chairman

The directors may appoint one of their number to be the chairman of the directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

81. Validity of acts of directors in spite of formal defect

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

82. Resolutions without meetings

A resolution in writing signed or approved by electronic communication by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed or approved by electronic communication by one or more directors; but a resolution signed or approved by electronic communication by an alternate director need not also be signed or approved by electronic communication by his appointor and, if it is signed or approved by electronic communication by a director who has appointed an alternate director, it need not be signed or approved by electronic communication by the alternate director in that capacity.

83. Directors' interests and voting

- (A) Provided that (so far as applicable) he has complied with the provisions of Articles 73 and 74 and Part 10 of the Act, a director shall be entitled to vote on any resolution in respect of any proposed or existing transaction or arrangement in

which he has, directly or indirectly, an interest or duty and shall be counted in the quorum present at a meeting in relation to any such resolution.

- (B) Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

84. Questions on directors' right to vote

- (A) If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive. Where the director concerned is also the chairman, the question may, before the conclusion of the meeting, be decided by a resolution of the directors present at the meeting (excluding the chairman) and the resolution shall be final and conclusive.
- (B) For so long as the chairman is not to be counted in the quorum present at a meeting and/or is not entitled to vote, the directors present at the meeting (excluding the chairman) may appoint one of their number to be the acting chairman of the meeting.

85. Telephone/electronic board meetings

A director or his alternate may participate in a meeting of the directors or of any committee of the directors through the medium of conference telephone, audio-visual communication or similar form of communication equipment notwithstanding that the directors or committee members present may not all be meeting in one particular place if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is located. A resolution made by a majority of the directors pursuant to this article shall be as valid as it would have been if made by them at a meeting duly convened and held.

ASSOCIATE DIRECTORS

The directors may at any time and from time to time appoint any person to be an associate director having such title including the word "director" as the directors may decide and may at any time remove any person so appointed. A person so appointed shall not be a director of the Company and shall not be a member of the board of directors. Subject to the other provisions of these articles, the directors may define and limit the powers and duties of any associate directors and may determine their remuneration which may be in addition to their remuneration as managers or employees of the Company.

SECRETARY

86. Secretary

- (A) The Company must have a secretary. Subject to the provisions of the Statutes, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.
- (B) The Holding Company may at any time by notice in writing deposited at the office or delivered at a meeting of the directors or at a general meeting of the Company to the chairman or to the secretary or to any director (unless the chairman or the director is also the secretary) appoint any person to be a secretary or joint secretary either to fill a vacancy or as an additional secretary and by like notice remove any secretary from office notwithstanding anything in these articles or in any agreement between the secretary and the Company.

MINUTES

87. Minutes

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

- (A) of all appointments of officers made by the directors; and
- (B) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

THE SEAL

88. Seal

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

DIVIDENDS

89. Declaration of dividends by the Company

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

90. Fixed and interim dividends

Subject to the provisions of the Statutes, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

91. Calculation of dividends

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

92. Dividends in specie

A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

93. Method of payment

- (A) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
- (i) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - (ii) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;

- (iii) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
 - (iv) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- (B) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:
- (i) the holder of the share; or
 - (ii) if the share has two or more joint holders, whichever of them is named first in the register of members; or
 - (iii) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

94. Dividends not to bear interest

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

95. Unclaimed dividends

Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

ACCOUNTS

96. Accounting records

- (A) The directors shall cause accounting records of the Company to be kept in accordance with the Statutes.
- (B) No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the directors or by ordinary resolution of the Company.

CAPITALISATION OF PROFITS

97. Capitalisation of profits

The directors may with the authority of an ordinary resolution of the Company:

- (A) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they

are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve,

- (B) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- (C) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this article in fractions; and
- (D) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

RECORD DATES

98. Fixing of record dates

- (A) Notwithstanding any other of these articles, but without prejudice to any rights attached to any shares, the Company or the directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made.
- (B) In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made.

NOTICES

99. Notices

- (A) Any notice, document (including a share certificate) or other information may be served on or sent or supplied to any member by the company:-
 - (i) personally;

- (ii) by sending it through the post addressed to the member at his registered address or by leaving it at that address addressed to the member;
- (iii) by means of a relevant system;
- (iv) where appropriate, by sending or supplying it in electronic form to an address notified by the member to the company for that purpose;
- (v) where appropriate, by making it available on a website and notifying the member of its availability in accordance with this article; or
- (vi) by any other means authorised in writing by the member.

In the case of joint holders of a share, service, sending or supply of any notice, document or other information on or to one of the joint holders shall for all purposes be deemed a sufficient service on or sending or supplying to all the joint holders.

- (A) Any notice to be given to or by any person pursuant to the articles (other than a notice calling a meeting of the directors) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice.
- (B) In this article, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.
- (C) A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him, or an address to which notices may be sent using electronic communications, shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.

100. When a notice is deemed received

- (A) A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- (B) Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.
- (C) Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall

be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.

- (D) If the Company receives a delivery failure notification following a communication by electronic means in accordance with paragraph (C) above, the Company shall send or supply the document or information in hard copy or electronic form (but not by electronic means) to the member either personally or by post addressed to the member at his registered address or by leaving it at that address. This shall not affect when the document or information was deemed to be received in accordance with paragraph (C) above.
- (E) Where a document or information is sent or supplied by means of a website, it shall be deemed to have been received:
 - (i) when the material was first made available on the website, or
 - (ii) if later, when the recipient was deemed to have received notice of the fact that the material was available on the website.

101. Notice to person entitled by death or bankruptcy

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

DESTRUCTION OF DOCUMENTS

102. Destruction of documents

- (A) The directors may authorise or arrange the destruction of documents held by the Company as follows:
 - (i) at any time after the expiration of six years from the date of registration, all instruments of transfer of shares and all other documents transferring or purporting to transfer shares or representing or purporting to represent the right to be registered as the holder of shares on the faith of which entries have been made in the register;
 - (ii) at any time after the expiration of one year from the date of cancellation, all registered share certificates which have been cancelled;

- (iii) at any time after the expiration of two years from the date of recording them, all dividend mandates and notifications of change of address; and
 - (iv) at any time after the expiration of one year from the date of actual payment, all paid dividend warrants and cheques.
- (B) It shall conclusively be presumed in favour of the Company that:
- (i) every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made;
 - (ii) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
 - (iii) every share certificate so destroyed was a valid certificate duly and properly cancelled;
 - (iv) every other document mentioned in paragraph (A) above so destroyed was a valid and effective document in accordance with the particulars of it recorded in the books and records of the Company; and
 - (v) every paid dividend warrant and cheque so destroyed was duly paid.
- (C) The provisions of paragraph (B) above shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant.
- (D) Nothing in this article shall be construed as imposing on the Company or the directors any liability in respect of the destruction of any document earlier than as stated in paragraph (A) above or in any other circumstances in which liability would not attach to the Company or the directors in the absence of this article.
- (E) References in this article to the destruction of any document include references to its disposal in any manner.

WINDING UP

103. Powers to distribute in specie

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

INDEMNITY

104. Indemnity

Subject to the Statutes, but without prejudice to any indemnity to which any person concerned may otherwise be entitled, the directors, alternate directors, secretary and other officers for the time being of the Company and, at the absolute discretion of the directors, the auditors, shall be indemnified out of the assets of the Company against any costs, charges, losses, expenses and liabilities incurred by them in the execution and discharge of their duties, including all liability incurred by them as such in defending any proceedings, whether civil or criminal, in which judgment is given in their favour, or in which they are acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated Company's) affairs or in connection with any application under the Statutes in which relief is granted to them by a court of competent jurisdiction.

INSURANCE

105. Insurance

The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss. For the purposes of this article:

- (A) a **"relevant officer"** means any director or other officer or former director or other former officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act));
- (B) a **"relevant loss"** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
- (C) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

PROVISION OF FUNDS

106. Provision of funds

The Company shall (in each case, subject to and to the fullest extent permitted by the provisions of the Act) provide every director or other officer of the Company with funds to meet any expenditure incurred or to be incurred by him:

- (A) for the purposes of the Company or for the purpose of enabling him properly to perform his duties as an officer of the Company;

- (B) in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company;
- (C) in connection with an application for relief under the provisions referred to in section 205(5) of the Act; and/or
- (D) in defending himself in an investigation by a regulatory authority or against any action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company, or do anything to enable such person to avoid incurring such expenditure.