

**THE COMPANIES ACTS 1985, 1989 AND 2006**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**OF**

**THE LINDSELL TRAIN INVESTMENT TRUST PLC**

**Adopted by special resolution passed on 30 July 2008**

**PRELIMINARY**

**1. Table “A” not to apply**

No regulations set out in any schedule to any statute concerning companies or contained in any regulations or instrument made pursuant to a statute shall apply to the Company, but the following shall be the Articles of Association of the Company.

**2. Interpretation**

2.1 In these Articles, unless the context otherwise requires, the following expressions have the following meanings:

<b>“Act”</b>	means the Companies Act 2006 as amended;
<b>“address”</b>	means, in relation to electronic communications, any number or address used for the purposes of such communication;
<b>“Articles”</b>	means these Articles of Association as altered or varied from time to time (and “Article” means one of these Articles);
<b>“Auditors”</b>	means the auditors for the time being of the Company or, in the case of joint auditors, any one of them;
<b>“Board”</b>	means the board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present;
<b>“business day”</b>	means a day which is not a Saturday, Sunday or a public holiday in England;
<b>“certificated”</b>	means, in relation to a share, a share which is not in uncertificated form;
<b>“Chairman”</b>	means the chairman (if any) of the Board or, where the context requires, the chairman of a general meeting of the Company;

<b>“clear days”</b>	means (in relation to the period of a notice) that period, excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
<b>“Company”</b>	means The Lindsell Train Investment Trust plc;
<b>“Companies Acts”</b>	has the meaning given in section 2 of the Act;
<b>“Depositary”</b>	means a custodian or other person (or a nominee for such custodian or other person) appointed under contractual arrangements with the Company or other arrangements approved by the Board whereby such custodian or other person or nominee holds or is interested in shares of the Company or rights or interests in shares of the Company and issues securities or other documents of title or otherwise evidencing the entitlement of the holder thereof to or to receive such shares, rights or interests, provided and to the extent that such arrangements have been approved by the Board for the purpose of these Articles;
<b>“Director”</b>	means a director for the time being of the Company;
<b>“electronic communication”</b>	means any document or information sent or supplied in electronic form within the meaning of section 1168 of the Act;
<b>“entitled by transmission”</b>	means, in relation to a share, entitled as a consequence of the death or bankruptcy of a member, or as a result of another event giving rise to a transmission of entitlement by operation of law;
<b>“execution”</b>	means any mode of execution (and “executed” shall be construed accordingly);
<b>“holder”</b>	means (in relation to any share) the member whose name is entered in the Register as the holder or, where the context permits, the members whose names are entered in the Register as the joint holders of that share;
<b>“Listing Rules”</b>	means the listing rules made by the UK Listing Authority under section 73A of the Financial Services and Markets Act 2000;
<b>“London Stock Exchange”</b>	means London Stock Exchange plc or its Regulated Market, as the context may require;
<b>“member”</b>	means a member of the Company or, where the context requires, a member of the Board or any committee;
<b>“Office”</b>	means the registered office for the time being of the Company;
<b>“Ordinary Shares”</b>	means Ordinary Shares of 75p each in the capital of the Company and having the rights ascribed herein;
<b>“paid up”</b>	means paid up or credited as paid up;
<b>“recognised person”</b>	means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated for the purposes of the Companies Acts;
<b>“Register”</b>	means the register of members of the Company kept pursuant to Section 352 of the Companies Act 1985 or, once it is in force, Section 113 of the Act or the issuer register of members and Operator register of members maintained pursuant to Regulation 20 of the Uncertificated Securities Regulations and, where the context requires, any register maintained by the Company or the Operator of persons holding any renounceable right of allotment of a share, and cognate expressions shall be construed accordingly;

<b>“Registrar”</b>	means the registrar of the Company;
<b>“Regulated Market”</b>	means a regulated market for the purposes of EU directive 2004/39/EC (the Markets in Financial Instruments Directive);
<b>“Seal”</b>	means the common seal of the Company or any official or securities seal that the Company may be permitted to have under the Act;
<b>“Secretary”</b>	means the secretary for the time being of the Company or any other person (including a company) appointed to perform any of the duties of the secretary of the Company including (subject to the provisions of the Act) a joint, temporary, assistant or deputy secretary;
<b>“share”</b>	means a share of the Company being an Ordinary Share or such other share of the Company as may from time to time exist;
<b>“Treasury Shares”</b>	means shares held by the Company as treasury shares for the purposes of the Companies Acts;
<b>“UK Listing Authority”</b>	means the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 or any successor enactment;
<b>“uncertificated”</b>	means, in relation to a share, a share title to which is recorded in the register as being held in uncertificated form and title to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of a relevant system;
<b>“uncertificated proxy instruction”</b>	means an instruction or notification sent by means of a relevant system and received by such participant in that system acting on behalf of the Company as the board may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the board (subject always to the facilities and requirements of the relevant system concerned);
<b>“Uncertificated Securities Regulations”</b>	means the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time;
<b>“United Kingdom”</b>	means Great Britain and Northern Ireland;
<b>“Writing” or “Written”</b>	includes printing, typewriting, lithography, photography and any other mode or modes of representing or reproducing words in a legible and non-transitory form.

2.2 Words and expressions to which a particular meaning is given by the Companies Acts in force when the Articles (or any part of them) are adopted have the same meaning in the Articles or such part of them (as the case may be), except where the word or expression is otherwise defined in Article 2.1. The expressions “issuer register of members”, “Operator”, “Operator instruction”, “Operator register of members”, “participating issuer”, “participating security” and “relevant system” have the same meaning as in the Uncertificated Securities Regulations. The expressions “issued shares” and “shares in issue” and similar expressions shall (subject to any conflicting provisions of the Companies Acts) be taken to mean such shares excluding any Treasury Shares held by the Company. For the avoidance of doubt, the Company shall not be entitled to vote, or receive any distributions, in respect of any Treasury Shares it holds.

- 2.3 All references in the Articles to the giving of instructions by means of a relevant system shall be deemed to relate to a properly authenticated dematerialised instruction given in accordance with the Uncertificated Securities Regulations. The giving of such instructions shall be subject to:
- (a) the facilities and requirements of the relevant system;
  - (b) the Uncertificated Securities Regulations; and
  - (c) the extent to which such instructions are permitted by or practicable under the rules and practices from time to time of the Operator of the relevant system.
- 2.4 Unless the context otherwise requires:
- (a) words in the singular include the plural, and vice versa;
  - (b) words importing the masculine gender include the feminine gender;
  - (c) a reference to a person includes a body corporate and an unincorporated body of persons.
- 2.5 A reference to any statute or provision of a statute shall include any orders, regulations or other subordinate legislation made under it and shall, unless the context otherwise requires, include any statutory modification or re-enactment of it for the time being in force. This Article 2.5 does not affect the interpretation of Article 2.2.
- 2.6 The headings are inserted for convenience only and shall not affect the construction of these Articles.
- 2.7 Subject to the Companies Acts, where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective.
- 3. Registered Office**
- The Office shall be at such place in England as the Board shall from time to time appoint.
- 4. Uncertificated shares**
- 4.1 A member may, in accordance with the Uncertificated Securities Regulations, change a share of a class which is a participating security from a certificated share to an uncertificated share and from an uncertificated share to a certificated share.
- 4.2 The Company may give notice to a member requiring the member to change uncertificated shares to certificated shares by the time stated in the notice. The notice may also state that the member may not change certificated shares to uncertificated shares. If the member does not comply with the notice, the Board may authorise a person to change the uncertificated shares to certificated shares in the name and on behalf of the member.
- 4.3 While a class of shares is a participating security, these Articles only apply to an uncertificated share of that class to the extent that they are consistent with:
- (a) the holding of shares of that class in uncertificated form;
  - (b) the transfer of title to shares of that class by means of a relevant system; and
  - (c) the Uncertificated Securities Regulations.

## SHARE CAPITAL

### 5. Share capital

The authorised share capital of the Company at the date of the adoption of these Articles is £150,000 divided into 200,000 ordinary shares of 75p each (“Ordinary Shares”).

### 6. Share rights

The Ordinary Shares shall have attached thereto the rights and privileges, and shall be subject to the limitations and restrictions, as are set out in these Articles.

### 7. Allotment

Subject to the provisions of the Companies Acts and to any relevant authority of the Company in general meeting required by the Companies Acts, the Board has general and unconditional authority (1) to allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of unissued shares of the Company or rights to subscribe for or convert any security into shares or (2) to sell, transfer or cancel any Treasury Shares held by the Company, in accordance with the Companies Acts, in any such case to such persons (including the Directors themselves), at such times and generally on such terms and conditions as the Board may decide, provided that no share shall be issued at a discount.

### 8. Redeemable Shares

Subject to the provisions of the Companies Acts and to any special rights for the time being attached to any existing shares, any share may be issued which is, or at the option of the Company or of the holder of such share is liable, to be redeemed on such terms and in such manner as these Articles may provide.

### 9. Power to attach rights

Subject to the provisions of the Companies Acts and to any special rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine.

### 10. Share warrants

10.1 The Company may, with respect to any fully paid shares, issue a warrant (a “share warrant”) stating that the bearer of the warrant is entitled to the shares specified in it and may provide (by coupons or otherwise) for the payment of future dividends on the shares included in a share warrant.

10.2 The powers referred to in Article 10.1 may be exercised by the Board, which may determine and vary the conditions on which share warrants shall be issued, and in particular on which:

- (a) a new share warrant or coupon will be issued in the place of one damaged, defaced, worn out or lost (provided that no new share warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed);

- (b) the bearer of a share warrant shall be entitled to receive notice of and to attend, vote and demand a poll at general meetings;
- (c) dividends will be paid; and
- (d) a share warrant may be surrendered and the name of the holder entered in the Register in respect of the shares specified in it.

Subject to such conditions and to these Articles, the bearer of a share warrant shall be deemed to be a member for all purposes. The bearer of a share warrant shall be subject to the conditions for the time being in force and applicable thereto, whether made before or after the issue of such share warrant.

#### **11. Commission and brokerage**

The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Companies Acts. Subject to the provisions of the Companies Acts, any such commission or brokerage may be satisfied by the payment of cash, the allotment of fully or partly paid shares, the grant of an option to call for an allotment of shares or any combination of such methods.

#### **12. Trusts not to be recognised**

Except as otherwise expressly provided by these Articles, as required by law or as ordered by a court of competent jurisdiction, the Company shall not recognise any person as holding any share on any trust, and (except as aforesaid) the Company shall not be bound by or recognise (even if having notice of it) any equitable, contingent, future, partial or other claim to or interest in any share except an absolute right of the holder to the whole of the share.

### **SHARE CERTIFICATES**

#### **13. Right to certificate**

- 13.1 A person (except a person to whom the Company is not required by law to issue a certificate) whose name is entered in the register as a holder of a certificated share is entitled, without charge, to receive within two months of allotment or lodgement with the Company of a transfer to him of those shares or within two months after the relevant Operator instruction is received by the Company (or within any other period as the terms of issue of the shares provide) one certificate for all the certificated shares of a class registered in his name or, in the case of certificated shares of more than one class being registered in his name, to a separate certificate for each class of shares.
- 13.2 Where a member (other than a recognised financial institution) transfers part of his share comprised in a certificate he is entitled, without charge, to one certificate for the balance of certificated shares retained by him.
- 13.3 The Company is not bound to issue more than one certificate for certificated shares held jointly by two or more persons and delivery of a certificate to one joint holder is sufficient delivery to all joint holders.
- 13.4 A certificate shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up on the shares. It shall be issued under a seal, which may be affixed to or printed on it, or in such other manner as the board may approve, having regard to the terms of allotment or issue of the shares.

**14. Replacement certificates**

- 14.1 Where a member holds two or more certificates for shares of one class, the Board may at his request, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate for certificated shares of that class.
- 14.2 At the request of a member, the Board may cancel a certificate and issue two or more in its place (representing certificated shares in such proportions as the member may specify), on surrender of the original certificate and on payment of such reasonable sum as the Board may decide.
- 14.3 Where a certificate is worn out, defaced, lost or destroyed, the Board may cancel it and issue a replacement certificate on such terms as to provision of evidence and indemnity and to payment of any exceptional out of pocket expenses incurred by the Company in the investigation of that evidence and the preparation of that indemnity as the Board may decide, and on surrender of the original certificate (where it is worn out or defaced).
- 14.4 In the case of shares held jointly by several persons, any such request as is mentioned in this Article 14 may be made by any one of the joint holders.

**LIEN ON SHARES**

**15. Lien on shares not fully paid**

The Company shall have a first and paramount lien on any of its shares which are not fully paid, for all amounts payable to the Company (whether presently or not) in respect of that share and to the extent and in the circumstances permitted by the Companies Acts. The Board may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article 15.

**16. Enforcement of lien by sale**

The Board may sell all or any of the shares subject to any lien at such time or times and in such manner as it may determine. However, no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof and giving notice of intention to sell in default shall have been served on the holder or the persons (if any) entitled by transmission to the shares, and default in payment, fulfilment or discharge shall have been made by him or them for 14 clear days after service of such notice. For giving effect to any such sale, the Board may authorise some person to execute an instrument of transfer of the shares sold in the name and on behalf of the holder or the persons entitled by transmission in favour of the purchaser or as the purchaser may direct. The purchaser shall not be bound to see to the application of the purchase money, and 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.

**17. Application of proceeds of sale**

The net proceeds of any sale of shares subject to any lien, after payment of the costs, shall be applied in or towards satisfaction of so much of the amount due to the Company, or of the liability or engagement (as the case may be) as is presently payable or is liable to be presently fulfilled or discharged. The balance (if any) shall (on 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 or any liability or engagement not liable to be presently

fulfilled or discharged as existed on the shares before the sale) be paid to the holder or the person (if any) entitled by transmission to the shares so sold (without interest).

## **CALLS ON SHARES**

### **18. Calls**

Subject to the terms of allotment of shares, the Board may from time to time make calls on the members in respect of any moneys unpaid on the shares or any class of shares held by them respectively (whether in respect of nominal value or premium) and not payable on a date fixed by or in accordance with the terms of issue. Each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made and whether or not by instalments) be liable to pay the amount of every call so made on him as required by the notice. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed or (as the case may require) any person to whom power has been delegated pursuant to these Articles serves notice of exercise of such power. A call may be required to be paid by instalments and may, before receipt by the Company of any sum due thereunder, be either revoked or postponed in whole or part as regards all or any such members as the Board may determine. A person on whom a call is made shall remain liable notwithstanding the subsequent transfer of the shares in respect of which the call was made.

### **19. Liability of joint holders**

The joint holders of a share shall be jointly and severally liable for the payment of all calls in respect thereof.

### **20. Interest on calls**

If the whole of the sum payable in respect of any call is not paid on or before the day appointed for payment, the person from whom it is due and payable shall pay all costs, charges and expenses that the Company may have incurred by reason of such non-payment, together with interest on the unpaid amount from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of the allotment of the share or in the notice of the call or, if no rate is so fixed, at such rate, not exceeding 15 per cent. per annum (compounded on a six monthly basis), as the Board shall determine. The Board may waive payment of such costs, charges, expenses or interest in whole or in part.

### **21. Rights of member when call unpaid**

Unless the Board otherwise determines, no member shall be entitled to receive any dividend or to be present and vote at any general meeting, or at any separate meeting of the holders of any class of shares, either personally or (save as proxy for another member entitled to vote) by proxy, or be reckoned in a quorum, or to exercise any other right as a member unless and until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any) to the Company.

### **22. Sums due on allotment treated as calls**

Any sum payable in respect of a share on allotment or at any fixed date, whether in respect of the nominal value of the share or by way of premium or as an instalment of a call, shall for all purposes of these Articles be deemed to be a call duly made. If it is not paid, the provisions of these Articles shall apply as if such amount had become due and payable on the date of allotment or on such fixed date by virtue of a call.

**23. Power to differentiate**

The Board may make arrangements on the allotment or issue of shares for a difference as between the allottees or holders of such shares in the amount and time of payment of calls.

**24. Payment in advance of calls**

The Board may, if it thinks fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid on the shares held by him. Such payment in advance of calls shall extinguish *pro tanto* the liability on the shares on which it is made. The Company may pay interest on the money paid in advance, or so much of it as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, at such rate as the Board may decide. The Board may at any time repay the amount so advanced on giving to such member not less than three months' notice in writing of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.

**25. Delegation of power to make calls**

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

**26. Indemnity against claims in respect of shares**

26.1 Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability on the Company to make any payment, or empowers any government or taxing authority or government official to require the Company to make any payment, in respect of any shares held either jointly or solely by any member or in respect of any dividends or other moneys due or payable or accruing due or which may become due or payable to such member by the Company or in respect of any such shares or for or on account or in respect of any member, and whether in consequence of:

- (a) the death of such member;
- (b) the non-payment of any income tax or other tax by such member;
- (c) the non-payment of any estate, probate, succession, death, stamp or other duty by the executor or administrator of such member or by or out of his estate; or
- (d) any other act or thing;

the Company in every such case:

- (i) shall be fully indemnified by such member or his executor or administrator from all liability arising by virtue of such law; and
- (ii) may recover as a debt due from such member or his executor or administrator (wherever constituted or residing) any moneys paid by the Company under or in consequence of any such law, together

with interest at the rate of 15 per cent. per annum thereon from the date of payment to the date of repayment.

- 26.2 Nothing contained in this Article 26 shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company and as between the Company and every such member as aforesaid, his executor, administrator, and estate wherever constituted or situated, any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

## **FORFEITURE OF SHARES**

### **27. Notice if call not paid**

If any member fails to pay the whole of any call or any instalment of any call on or before the day appointed for payment, the Board may at any time serve a notice in writing on such member or on any person entitled to the shares by transmission, requiring payment, on a date not less than 14 clear days from the date of the notice, of the amount unpaid and any interest which may have accrued thereon and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where the payment is to be made and state that, if the notice is not complied with, the shares in respect of which such call was made will be liable to be forfeited.

### **28. Forfeiture for non-compliance**

If the notice referred to in Article 27 is not complied with, any share in respect of which it was given may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

### **29. Notice after forfeiture**

When any share has been forfeited, notice of the forfeiture shall be served on the person who was before forfeiture the holder of the share or the person entitled to such share by transmission (as the case may be). An entry of such notice having been given and of the forfeiture (with the date thereof) shall forthwith be made in the Register in respect of such share. However, no forfeiture shall be invalidated by any omission to give such notice or to make such entry as aforesaid.

### **30. Forfeiture may be annulled**

The Board may, at any time before any share so forfeited has been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture, on the terms that payment shall be made of all calls and interest due thereon and all expenses incurred in respect of the share and on such further terms (if any) as the Board shall see fit.

### **31. Surrender**

The Board may accept a surrender of any share liable to be forfeited. In such case references in these Articles to forfeiture shall include surrender.

### **32. Disposal of forfeited shares**

Every share which shall be forfeited shall thereupon become the property of the Company. Subject to the provisions of the Act, any such share may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto or to any other person, on such terms and in such manner as the Board shall

determine. The Board may, for the purposes of the disposal, authorise some person to transfer the share in question and may enter the name of the transferee in respect of the transferred share in the Register notwithstanding the absence of any share certificate being lodged in respect thereof and may issue a new certificate to the transferee. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the share. The Company may receive the consideration (if any) given for the share on its disposal.

**33. Effect of forfeiture**

A shareholder whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited. He shall nevertheless be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest thereon from the date of the forfeiture to the date of payment, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) claims, demands and liabilities which the Company might have enforced in respect of the shares at the time of forfeiture, without any reduction or allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

**34. Extinction of claims**

The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of past members.

**35. Evidence of forfeiture**

A statutory declaration by a Director or the Secretary that a share has been forfeited in pursuance of these Articles, and stating the date on which it was forfeited, shall, as against all persons claiming to be entitled to the share adversely to the forfeiture thereof, be conclusive evidence of the facts therein stated. The declaration, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof and a certificate for the share under the Seal delivered to the person to whom the same is sold or disposed of, shall (subject if necessary to the execution of an instrument of transfer) constitute a good title to the share. Subject to the execution of any necessary transfer, such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase money or other consideration (if any), nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture or disposal of the share. Such person shall not (except by express agreement with the Company) become entitled to any dividend which might have accrued on the share before the completion of the sale or disposition thereof.

## **TRANSFER OF SHARES**

**36. Form of transfer**

Subject to such of the restrictions of these Articles as may be applicable, each member may transfer all or any of his certificated shares by instrument of transfer, in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of partly paid shares) by or on behalf of the transferee. A member may transfer all or any of his uncertificated shares in accordance with the Uncertificated Securities Regulations. Subject to the provisions of the

Uncertificated Securities Regulations, the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

### **37. Compulsory transfer of Shares**

37.1 If it shall come to the attention of the Directors that any share or shares:

- (a) are or may be owned or held directly or beneficially by any person or persons whose holding or continued holding of those shares (whether on its own or in conjunction with any other circumstance appearing to the Directors to be relevant) might in the sole and conclusive determination of the Directors cause or be likely to cause some legal, regulatory, pecuniary, tax or material administrative disadvantage to the Company or to any other holder of shares; or
- (b) are or may be owned or held directly or beneficially by any person that is an employee benefit plan subject to Part 4 of Title I of the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), a plan to which section 4975 of the United States Internal Revenue Code of 1986, as amended, applies, or an entity whose underlying assets include plan assets by reason of a plan’s investment in such entity (collectively, “**Benefit Plan Investors**”), and either (1) in the opinion of the Directors the assets of the Company may be considered “plan assets” within the meaning of ERISA and regulations thereunder or (2) based on information provided to the Directors, the Directors determine that 15 per cent. or more of the relevant class of shares is or may be held by Benefit Plan Investors; or
- (c) are or may be owned or held directly or beneficially by a United States Person, other than those United States Persons which the Directors may in their discretion permit;

the Directors may serve a notice (hereinafter called a “**Transfer Notice**”) upon the person (or any one of such persons where shares are registered in joint names) appearing in the Register of members as the holder (the “**Vendor**”) of the share, shares or any of the shares concerned (the “**Relevant Shares**”) requiring the Vendor within 21 calendar days (or such extended time as in all the circumstances the Directors shall consider reasonable) to transfer (and/or procure the disposal of interests in) the Relevant Shares to another person whose holding of such Relevant Shares, in the sole and conclusive determination of the Directors, would not fall within paragraphs (a), (b) or (c) above and would not result in a beneficial owner of shares (whether directly or by attribution) who is a United States Person, other than those United States Persons which the Directors may in their discretion permit (such person being hereinafter called an “**Eligible Transferee**”). On and after the date of such Transfer Notice, and until registration of a transfer of the Relevant Shares to which it relates pursuant to the provisions of this Article 37 or any other Article, the rights and privileges attaching to the Relevant Shares shall be suspended and not capable of exercise.

37.2 If within 21 days after the giving of a Transfer Notice (or such extended time as in all the circumstances the Directors shall consider reasonable) the Transfer Notice has not been complied with to the satisfaction of the Directors, the Company may sell the Relevant Shares on behalf of the holder thereof, subject to the Uncertificated Securities Regulations, by instructing a London Stock Exchange member firm to sell them at the best price reasonably obtainable at the time of sale, to any Eligible Transferee or Eligible Transferees. To give effect to a sale, the Directors may authorise in writing any officer or employee of the Company, or any officer or employee of the secretary, to transfer the Relevant Shares on behalf of the holder thereof (or any person who is automatically entitled to the shares by transmission or by law), or to cause the transfer of the Relevant Shares, to the purchaser and in relation to an uncertificated share may require the Operator

to convert the share into certificated form in accordance with the Uncertificated Securities Regulations and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the Relevant Shares. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by any irregularity in or invalidity of the proceedings connected to the sale. The net proceeds of the sale of the Relevant Shares, after payment of the Company's costs of the sale, shall be received by the Company, whose receipt shall be a good discharge for the purchase moneys, and shall belong to the Company and, upon their receipt, the Company shall become indebted to the former holder of the Relevant Shares, or the person who is automatically entitled to the Relevant Shares by transmission or by law, for an amount equal to the net proceeds of transfer, in the case of certificated shares, upon surrender by him or them of the certificate for the Relevant Shares which the Vendor shall forthwith be obliged to deliver to the Company. The Company is deemed to be a debtor and not a trustee in respect of that amount for the member or other person. No interest is payable on that amount and the Company is not required to account for money earned on it. The amount may be employed in the business of the Company or as it thinks fit. The Company may register or cause the registration of the transferee as holder of the Relevant Shares and thereupon the transferee shall become absolutely entitled thereto.

37.3 A person who becomes aware that his holding, directly or beneficially, of shares will, or is likely to, fall within Article 37.1 above or, being a United States Person and a beneficial owner of shares, becomes a beneficial owner of shares (whether directly or by attribution) who is a United States Person, other than those United States Persons which the Directors may in their discretion permit, shall forthwith, unless he has already received a Transfer Notice pursuant to Article 37.1, comply with and be subject to the provisions of this Article 37 as if he had received a Transfer Notice in accordance with this Article 37.

37.4 Subject to the provisions of the Articles, the Directors shall, unless any Director has reason to believe otherwise, be entitled to assume without inquiry that none of the shares are held in such a way as to entitle the Directors to serve a Transfer Notice in respect thereof. The Directors may, however, at any time and from time to time call upon any holder (or any one of joint holders) of shares by notice in writing to provide such information and evidence as they shall require upon any matter connected with or in relation to such holder or joint holders of shares. In the event of such information and evidence not being so provided within such reasonable period (being not less than 21 calendar days after service of the notice requiring the same) as may be specified by the Directors in the said notice, the Directors may, in their absolute discretion, treat any share held by such a holder or joint holders as being held in such a way as to entitle them to serve a Transfer Notice in respect thereof.

37.5 The Directors shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this Article 37. Any decision, determination or declaration by the Directors taken or made in accordance with this Article 37 shall not be questioned or invalidated in any case on the ground that there was insufficient evidence of direct or beneficial ownership of shares by any person or that the true direct or beneficial owner of any shares was otherwise than appeared to the Directors at the relevant date provided that the said powers shall have been exercised in good faith.

37.6 For the purposes of this Article 37:

**“London Stock Exchange member firm”** means a member firm as defined in the rules from time to time of the London Stock Exchange;

**“United States”** means the United States of America, its territories, possessions and all areas subject to its jurisdiction (including the commonwealth of Puerto Rico); and

**“United States Person”** means a person resident in the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States or any state thereof, any estate or trust the income of which is subject to United States federal income taxation regardless of its source, or any other person, entity, trust or estate included within the definition of “U.S. person” in Rule 902(k) under the United States Securities Act of 1933, as amended, or as determined in accordance with the United States Investment Company Act of 1940, as amended.

**38. Right to refuse registration – certificated shares**

38.1 The Board may, in its absolute discretion, refuse to register any transfer of a certificated share or a renunciation of a renounceable letter of allotment unless:

- (a) it is in respect of a share which is fully paid up;
- (b) it is in respect of a share upon which the Company has no lien;
- (c) it is in respect of only one class of share;
- (d) it is in favour of a single transferee or renounee or not more than four joint transferees or renounees;
- (e) it is duly stamped (if so required);
- (f) it is delivered for registration to the Office or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued, or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so; and
- (g) in the case of partly paid shares which are listed any refusal prevents dealings in the shares taking place on an open and proper basis.

38.2 Transfers of shares will not be registered in the circumstances referred to in Article 82.

38.3 If the Board refuses to register a transfer of a certificated share it shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee together with reasons for the refusal. Any instrument of transfer which the Board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. All instruments of transfer which are registered may be retained by the Company.

**39. Right to refuse registration – uncertificated shares**

39.1 In accordance with and subject to the provisions of the Uncertificated Securities Regulations, the Operator of the relevant system shall register a transfer of title to any uncertificated share or any renounceable right of allotment of a share which is a participating security held in uncertificated form unless the Uncertificated Securities Regulations permit the Operator of the relevant system to refuse to register such a transfer in certain circumstances in which case the said Operator may refuse such registration.

39.2 If the Operator of the relevant system refuses to register the transfer of an uncertificated share or of any such uncertificated renounceable right of allotment of a share it shall, within the time period stipulated by the Uncertificated Securities Regulations, send notice of the refusal to the transferee.

- 39.3 In accordance with and subject to the provisions of the Uncertificated Securities Regulations, where title to an uncertificated share is transferred by means of a relevant system to a person who is to hold such share in certificated form thereafter, the Company as participating issuer shall register the transfer in accordance with the relevant Operator instruction, but so that the Company may refuse to register such a transfer in any circumstance permitted by the Uncertificated Securities Regulations.
- 39.4 In accordance with the Uncertificated Securities Regulations, if the Company as participating issuer refuses to register the transfer of title to an uncertificated share transferred by means of a relevant system to a person who is to hold such share in certificated form thereafter, it shall, within two months after the date on which the Operator instruction was received by the Company, send notice of the refusal to the transferee together with reasons for the refusal.

#### **40. Closing of Register**

The registration of transfers of shares or of any class of shares may be suspended (to the extent the same is consistent with the Companies Acts) at such times and for such periods (not exceeding 30 days in any year) as the Board may from time to time determine. Notice of closure of the Register shall be given in accordance with the requirements of the Companies Acts. Unless otherwise permitted by the Uncertificated Securities Regulations, the Company may not close any register relating to a participating security without the consent of the Operator of the relevant system.

#### **41. No fees on registration**

No fee shall be charged for registration of a transfer or on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney, notice or other instrument relating to or affecting the title to any shares.

#### **42. Other powers in relation to transfers**

- 42.1 Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
- 42.2 The Board may, at its discretion, determine to issue shares and warrants as units on terms such that the certificates in respect of such shares and warrants are issued in attached form and are transferable for a period determined by the Board but not exceeding 50 days only on presentation to the Office or such other place as the Board may from time to time determine of certificates for such shares and share warrants in attached form.

### **TRANSMISSION OF SHARES**

#### **43. On death**

If a member dies, the survivors or survivor, where he was a joint holder, and his executors or administrators, where he was a sole or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares. Nothing in these Articles shall release the estate of a deceased member from any liability in respect of any share which has been solely or jointly held by him.

#### **44. Election of person entitled by transmission**

- 44.1 Any person becoming entitled to a share in consequence of the death or bankruptcy of any member, or of any other event giving rise to a transmission of such entitlement by operation of law, may, on such evidence as to his title being produced as the Board may require, elect either to become registered as a member or to have some person nominated

by him registered as a member. If he elects to become registered himself, he shall give notice to the Company to that effect. If he elects to have some other person registered, he shall:

- (a) if it is a certificated share, execute an instrument of transfer of the share to that person; or
- (b) if it is an uncertificated share:
  - (i) procure that instructions are given by means of a relevant system to effect transfer of the share to that person; or
  - (ii) change the share to a certificated share and execute an instrument of transfer of the share to that person.

44.2 All the provisions of these Articles relating to the transfer of certificated shares shall apply to the notice or instrument of transfer (as the case may be) as if it were an instrument of transfer executed by the member and his death, bankruptcy or other event as aforesaid had not occurred. Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall within two months after proof cause the entitlement of that person to be noted in the Register.

#### **45. Rights on transmission**

Where a person becomes entitled to a share in consequence of the death or bankruptcy of any member, or of any other event giving rise to a transmission of such entitlement by operation of law, the rights of the holder in relation to such share shall cease. However, the person so entitled may give a good discharge for any dividends and other moneys payable in respect of it and shall have the same rights to which he would be entitled if he were the holder of the share, except that he shall not, before he is registered as the holder of the share, be entitled in respect of it to receive notice of, or to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares of the Company. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share. If the notice is not complied with within 60 days, the Board may thereafter withhold payment of all dividends and other moneys payable in respect of such share until the requirements of the notice have been complied with.

### **DESTRUCTION OF DOCUMENTS**

#### **46. Destruction of documents**

46.1 The Company may destroy:

- (a) any instrument of transfer, after six years from the date on which it is registered;
- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address, after two years from the date on which it is recorded;
- (c) any share certificate, after one year from the date on which it is cancelled; and
- (d) any other document on the basis of which any entry in the Register is made, after six years from the date on which an entry was first made in the Register in respect of it;

provided that the Company may destroy any such type of document after such shorter period as the Board may determine if a copy of such document is retained on microfilm or other similar means.

- 46.2 It shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of a document so destroyed was duly and properly made, that every instrument of transfer so destroyed was duly registered, that every share certificate so destroyed was duly cancelled and that every other document so destroyed had been properly dealt with in accordance with its terms and was valid and effective in accordance with the particulars in the records of the Company, provided that:
- (a) this Article 46 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;
  - (b) nothing in this Article 46 shall be construed as imposing on the Company any liability in respect of the destruction of any such document otherwise than as provided for in this Article 46 which would not attach to the Company in the absence of this Article 46; and
  - (c) references in this Article 46 to the destruction of any document include references to the disposal of it in any manner.

## **ALTERATION OF SHARE CAPITAL**

### **47. Increase, consolidation, cancellation and sub-division**

- 47.1 The Company in general meeting may from time to time by ordinary resolution:
- (a) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
  - (b) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
  - (c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and
  - (d) subject to the provisions of the Companies Acts, sub-divide its shares or any of them into shares of smaller amount, and may by such resolution determine that, as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

### **48. Fractions**

- 48.1 Whenever as the result of any consolidation, division or sub-division of shares any difficulty arises, the Board may, subject to the Companies Acts and the Uncertificated Securities Regulations, settle it as it thinks fit and in particular (but without prejudice to the generality of the foregoing) where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share and as a result of such consolidation such holder would become entitled to a fraction of a consolidated share:
- (a) the Board may determine which of the shares of such holder are to be treated as giving rise to such fractional entitlement and may decide that any of those

shares shall be consolidated with any of the shares of any other holder or holders which are similarly determined by it to be treated as giving rise to a fractional entitlement for such other holder or holders, into a single consolidated share and the Board may, on behalf of all such holders, sell such consolidated share for the best price reasonably obtained to any person (including the Company) and distribute the net proceeds of sale after deduction of the expenses of sale in due proportion among those holders (except that any amount otherwise due to a holder, being less than £3.00 or such other sum as the Board may from time to time determine, may be retained for the benefit of the Company); or

- (b) provided that the necessary unissued shares are available, the Board may issue to such holder credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding to an exact multiple of the number of shares to be consolidated into a single share (such issue being deemed to have been effected prior to consolidation); and the amount required to pay up such shares shall be appropriated at the Board's discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up the share. In relation to such a capitalisation the Board may exercise all the powers conferred on it by Article 158 without an ordinary resolution of the Company.

48.2 For the purposes of any sale of consolidated shares pursuant to Article 48.1, the Board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with, the directions of the purchaser, and 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.

#### **49. Reduction of capital**

Subject to the provisions of the Companies Acts and to any rights for the time being attached to any shares, the Company may by special resolution reduce its share capital or any capital redemption reserve or share premium account in any manner.

#### **50. Purchase of own shares**

Subject to the provisions of the Companies Acts and to any rights for the time being attached to any shares, the Company may purchase any of its own shares of any class (including any redeemable shares). Any shares to be so purchased may be selected in any manner whatsoever.

### **VARIATION OF CLASS RIGHTS**

#### **51. Sanction to variation**

51.1 Subject to the Companies Acts, if at any time the share capital of the Company is divided into shares of different classes, all or any of the rights for the time being attached to any share or class of shares (and notwithstanding that the Company may or may be about to be in liquidation) may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class (excluding any share of that class held as a Treasury Share) or with the sanction of a resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as hereinafter provided (but not otherwise).

51.2 The foregoing provisions of this Article 51 shall apply also to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights of which are to be varied.

**52. Deemed Variation**

Save as provided in these Articles and subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the reduction of the capital paid up on such shares or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Companies Acts and these Articles.

**53. Class meetings**

All the Articles relating to general meetings will apply to any class meeting, with any necessary changes, except that:

- (a) no member, other than a Director, is entitled to notice of it or to attend unless he is a holder of shares of that class;
- (b) a quorum will be present if at least one member who is entitled to vote is present in person or by proxy who owns at least one third in amount of the issued shares of the relevant class (excluding any shares held as Treasury Shares);
- (c) at an adjourned meeting, one person entitled to vote and who holds shares of the class, or his proxy, will be a quorum;
- (d) any member who is present in person or by proxy and entitled to vote can demand a poll; and
- (e) on a poll every member who is present in person or by proxy and entitled to vote is entitled to one vote for every share he has of the class (subject to any special rights or restrictions which are attached to any class of that share).

**GENERAL MEETINGS**

**54. Annual general meetings**

Subject to the provisions of the Companies Acts, annual general meetings shall be held at such time and place as the Board may determine.

**55. General meetings**

All general meetings, other than annual general meetings, shall be called general meetings.

**56. Convening of general meetings**

The Board may convene a general meeting whenever it thinks fit. The Board must convene a general meeting immediately on receipt of a requisition from members in accordance with the Companies Acts and in default a meeting may be convened by requisitionists as provided in the Companies Acts. At any meeting convened on a requisition or by requisitionists no business shall be transacted except that stated by the requisition or

proposed by the Board. If there are not within the United Kingdom sufficient members of the Board to convene a general meeting, any Director may call a general meeting.

**57. Notice of general meetings**

57.1 An annual general meeting of the Company shall be convened by not less than 21 clear days' notice. All other general meetings of the Company shall be convened by not less than 14 clear days' notice.

57.2 Subject to the provisions of the Companies Acts, and notwithstanding that it is convened by shorter notice than that specified in this Article 57, a general meeting shall be deemed to have been duly convened if it is so agreed:

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

57.3 The notice shall specify:

- (a) whether the meeting is an annual general meeting or a general meeting;
- (b) the place, the day and the time of the meeting;
- (c) in the case of special business, the general nature of that business;
- (d) if the meeting is convened to consider a special resolution, the intention to propose the resolution as such; and
- (e) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member.

57.4 The notice shall be given to the members (other than any who, under the provisions of these Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and to the Auditors. Subject to the requirements of the Companies Acts, the notice of meeting shall be given by any means or combination of means permitted. Section 310 of the Act shall not apply to the Company.

57.5 The Board may determine that persons entitled to receive notices of meeting are those persons entered on the register at the close of business on a day determined by the Board, provided that, if the Company is a participating issuer, the day determined by the board may not be more than 21 days before the day that the relevant notice of meeting is being sent.

57.6 The notice of meeting may also specify a time (which, if the Company is a participating issuer, shall not be more than 48 hours before the time fixed for the meeting) by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote.

57.7 Where the notice of meeting is published on a web site in accordance with Article 165.2, it shall continue to be published in the same place on that web site from the date of the notification given under Article 165.2(b) until the conclusion of the meeting to which the notice relates.

**58. Omission to send notice**

58.1 The accidental omission to send a notice of meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

58.2 Where a notice of meeting published on a website in accordance with Article 165.2 is by accident published in different places on the website or published for part only of the period from the date of the notification given under Article 165.2(b) until the conclusion of the meeting to which the notice relates, the proceedings at such meeting are not thereby invalidated.

**59. Special business**

All business that is transacted at a general meeting shall be deemed special, except the following transactions at an annual general meeting:

- (a) the declaration of dividends;
- (b) the receipt and consideration of the annual accounts and the reports of the Directors and the Auditors and any other document required to be annexed to the annual accounts;
- (c) the election or re-election of Directors;
- (d) the re-appointment of the Auditors retiring (unless they were last appointed otherwise than by the Company in general meeting) and the fixing of the remuneration of the Auditors or the determination of the manner in which such remuneration is to be fixed.

**PROCEEDINGS AT GENERAL MEETINGS**

**60. Quorum**

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Two persons entitled to attend and to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

**61. If quorum not present**

If within 15 minutes (or such longer interval as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the Chairman (or, in default, the Board) may determine. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, one person entitled to vote on the business to be transacted, being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

**62. Chairman**

The Chairman of the Board shall preside at every general meeting of the Company. If there be no such Chairman or if at any meeting he shall not be present within 15 minutes after the time appointed for holding the meeting, or shall be unwilling to act as Chairman, the

Deputy Chairman (if any) of the Board shall, if present and willing to act, preside at such meeting. If no Chairman or Deputy Chairman shall be so present and willing to act, the Directors present shall choose one of their number to act or, if there be only one Director present, he shall be Chairman if willing to act. If there be no Director present and willing to act, the members present and entitled to vote shall choose one of their number to be Chairman of the meeting.

**63. Directors may attend and speak**

A Director (and any other person invited by the Chairman to do so) 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 of the Company.

**64. Power to adjourn**

The Chairman may, with the consent of a meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time (or indefinitely) and from place to place as the meeting shall determine. However, without prejudice to any other power which he may have under these Articles or at common law, the Chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting, to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of.

**65. Notice of adjourned meeting**

65.1 Where a meeting is adjourned indefinitely, the Board shall fix the time and place for the adjourned meeting. Whenever a meeting is adjourned for 14 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting.

65.2 The Board may determine that persons entitled to receive notice of an adjourned meeting in accordance with this Article 65 are those persons entered on the register at the close of business on a day determined by the board, provided that, if the Company is a participating issuer, the day determined by the Board may not be more than 21 days before the day that the relevant notice of meeting is being sent.

65.3 The notice of an adjourned meeting given in accordance with this Article 65 may also specify a time (which, if the Company is a participating issuer, shall not be more than 48 hours before the time fixed for the meeting) by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote.

**66. Business of adjourned meeting**

No business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

## VOTING

### 67. Method of voting

67.1 At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is duly demanded. Subject to the provisions of the Companies Acts, a poll may be demanded by:

- (a) the Chairman of the meeting; or
- (b) by at least five members present in person or by proxy and entitled to vote at the meeting; or
- (c) a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting (excluding any voting rights attached to any shares held as Treasury Shares); or
- (d) a member or members present in person or by proxy 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 (excluding any shares conferring a right to vote which are held as Treasury Shares).

67.2 At general meetings, resolutions shall be put to the vote by the Chairman and there shall be no requirement for the resolution to be proposed or seconded by any person.

### 68. Chairman's declaration conclusive on show of hands

Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings of the Company, shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

### 69. Objection to error in voting

No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, any vote, except at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that the same is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.

### 70. Amendment to resolutions

70.1 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the meeting, any error in such ruling shall not invalidate the proceedings on the substantive resolution.

70.2 In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted on and in the case of a resolution duly proposed as an ordinary resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted on unless either at least 48 hours prior to the time appointed for

holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed notice in writing of the terms of the amendment and intention to move the same has been lodged at the Office or the Chairman of the meeting in his absolute discretion decides that it may be considered or voted on.

## **71. Procedure on a poll**

- 71.1 Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken forthwith. A poll duly demanded on any other matter shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman shall direct. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 71.2 The demand for a poll (other than on the election of a Chairman or any question of adjournment) shall not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded. If a poll is demanded before the declaration of the result on a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 71.3 The demand for a poll may, before the poll is taken, be withdrawn, but only with the consent of the Chairman. A demand so withdrawn shall validate the result of a show of hands declared before the demand was made.
- 71.4 On a poll votes may be given in person or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

## **72. Votes of members**

- 72.1 Subject to the provisions of the Companies Acts, to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to these Articles, at any general meeting every member who is present in person or by proxy or who (being a corporation) is present by a representative shall on a show of hands have one vote and every member present in person or by proxy or who (being a corporation) is present by a representative shall on a poll have one vote for each share of which he is the holder.
- 72.2 If two or more persons are joint holders of a share, then in voting on any question 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. For this purpose seniority shall be determined by the order in which the names of the holders stand in the Register.
- 72.3 Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Board may in its absolute discretion, on or subject to production of such evidence of the appointment as the Board may require, permit such receiver or other person to vote in person or, on a poll by proxy on behalf of such member at any general meeting. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place, and within such time limits, as is specified in accordance with these Articles for the deposit of instruments of proxy for use at the meeting, adjourned meeting or poll at which the right to vote is to be exercised, and in default the right to vote shall not be exercisable.

**73. Casting vote**

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll was demanded shall be entitled to a second or casting vote in addition to any other vote that he may have.

**74. Restriction on voting rights for unpaid calls etc.**

No member shall, unless the Board otherwise determines, be entitled to vote at a general meeting or at any separate meeting of the holders of any class of shares, either in person or (save as proxy for another member entitled to vote) by proxy, or to exercise any other right or privilege as a member in respect of any share held by him unless all calls or other sums presently due and payable by him in respect of that share whether alone or jointly with any other person together with interest and expenses (if any) have been paid to the Company.

**75. Voting by proxy**

Any person (whether a member of the Company or not) may be appointed to act as a proxy. The deposit of an instrument of proxy shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment thereof.

**76. Form of proxy**

76.1 Subject to Article 76.2, an instrument appointing a proxy shall be in writing in any common form or in such other form as the Board may approve, under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, under its common seal or under the hand of some officer or attorney or other person duly authorised in that behalf;

76.2 Subject to the Companies Acts, the Board may accept the appointment of a proxy received in an electronic communication on such terms and subject to such conditions as it considers fit. The appointment of a proxy received in an electronic communication shall not be subject to the requirements of Article 76.1. The Board may require the production of any evidence it considers necessary to determine the validity of such an appointment.

76.3 An instrument appointing a proxy shall:

- (a) be deemed (subject to any contrary direction contained in the same) to confer authority to demand or join in demanding a poll and to vote on any resolution or amendment of a resolution put to the meeting for which it is given, as the proxy thinks fit, but shall not confer any further right to speak at the meeting, except with the permission of the Chairman (or as otherwise determined by the Board where the relevant shares are held by a Depositary);
- (b) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates; and
- (c) where it is stated to apply to more than one meeting, be valid for all such meetings as well as for any adjournment of any such meetings.

**77. Deposit of proxy**

77.1 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Board shall:

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

be received at such address not less than 48 hours (or such shorter time as the Board may determine) before the time for holding the meeting at which the person named in the form of appointment of proxy proposes to vote;
- (c) in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours (or such shorter time as the Board may determine) before the time appointed for the holding of the adjourned meeting or the taking of the poll; or
- (d) in the case of a meeting adjourned for less than 48 hours or in the case of a poll that is not taken immediately but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman of the meeting or to any Director;

and an instrument of proxy not deposited or delivered in a manner so permitted shall be invalid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.

77.2 Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the Board may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an uncertificated proxy instruction and may in a similar manner permit supplements to, or amendments or revocations of, any such uncertificated proxy instruction to be made by like means. The Board may in addition prescribe the method of determining the time at which any such uncertificated proxy instruction (and/or other instruction or notification) is to be treated as received by the Company or a participant acting on its behalf. The Board may treat any such uncertificated proxy instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

## **78. More than one proxy may be appointed**

Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the shareholder. When two or more

valid but differing instruments of proxy are delivered in respect of the same share or shares for use at the same meeting and in respect of the same matter, the one which is last validly delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which instrument was last validly delivered, none of them shall be treated as valid in respect of that share.

**79. Board may supply proxy cards**

The Board may at the expense of the Company send, by post or otherwise, instruments of proxy (reply-paid or otherwise) to members for use at any general meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall, subject to Article 57.7, be issued to all (and not some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy.

**80. Revocation of proxy**

A vote given or poll demanded by a proxy or authorised representative of a company shall be valid despite termination of his authority unless notice of termination is received by the Company at the Office, or at such other place as has been appointed for the deposit of instruments of proxy, at least 48 hours before the commencement of the meeting or adjourned meeting or the taking of the poll at which the instrument of proxy is used.

**81. Corporate representative**

A company which is a member may, by resolution of its directors or other governing body, authorise such person or persons as it thinks fit to act as its representative or representatives (as the case may be) at any meeting of the Company or at any separate meeting of the holders of any class of shares. Any person so authorised shall be entitled to exercise the same powers on behalf of the company (in respect of that part of the company's holdings to which the authority relates) as the company could exercise if it were an individual member. The company shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it; and all references to attendance and voting in person shall be construed accordingly. A Director, the Secretary or some person authorised for the purpose by the Secretary may require the representative to produce a certified copy of the resolution so authorising him or such other evidence of his authority reasonably satisfactory to them before permitting him to exercise his powers.

**82. Failure to disclose interests in shares**

82.1 If a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 of the Act and has failed in relation to any shares ("**the default shares**" which expression includes any shares issued after the date of such notice) to give the Company the information thereby required (or, in the case of a Depository, the information referred to in Article 82.6) within the prescribed period from the date of service of the notice, the following sanctions shall apply unless the Board otherwise determines:

- (a) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

- (b) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:
    - (i) any dividend (including shares issued in lieu of dividend) or other money payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest thereon; and
    - (ii) no transfer, other than an excepted transfer, of any certificated default shares held by the member shall be registered unless:
      - (A) the member is not himself in default as regards supplying the information required; and
      - (B) the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.
- 82.2 For the purpose of enforcing the sanction in Article 82.1, the Board may give notice to the member requiring the member to change default shares held in uncertificated form to certificated form by the time stated in the notice. The notice may also state that the member may not change any default shares held in certificated form to uncertificated form. If the member does not comply with the notice, the Board may require the Operator to convert default shares held in uncertificated form into certificated form in the name and on behalf of the member in accordance with the Uncertificated Securities Regulations.
- 82.3 Where the sanctions under Article 82.1 apply in relation to any shares, they shall cease to have effect (and any dividends withheld under Article 82.1(b) shall become payable):
- (a) if the shares are transferred by means of an excepted transfer or by means of any other transfer approved for registration by the Board but only in respect of the shares transferred; or
  - (b) at the end of the period of 7 days (or such shorter period as the Board may determine) following receipt by the Company of the information required by the notice mentioned in that paragraph and the Board being fully satisfied that such information is full and complete.
- 82.4 Where, on the basis of information obtained from a member in respect of any share held by him, the Company issues a notice pursuant to section 793 of the Act to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of Article 82.1.
- 82.5 Where default shares in which a person appears to be interested are held by a Depositary, the provisions of this Article 82 shall be treated as applying only to those shares held by the Depositary in which such person appears to be interested and not (insofar as such person's apparent interest is concerned) to any other shares held by the Depositary.
- 82.6 Where the member on which a notice under section 793 of the Act is served is a Depositary acting in its capacity as such, the obligations of the Depositary as a member of the Company shall be limited to disclosing to the Company such information relating to any person appearing to be interested in the shares held by it as has been recorded by it pursuant to the arrangements entered into by the Company or approved by the Directors pursuant to which it was appointed as a Depositary.
- 82.7 For the purposes of this Article 82:

- (a) a person, other than the member holding a share, shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a notice under section 793 of the Act, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
- (b) “interested” shall be construed as it is for the purpose of section 793 of the Act;
- (c) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes reference to his having failed or refused to give all or any part of it and to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
- (d) the “prescribed period” means:
  - (i) in a case where the default shares represent at least 0.25 per cent. of their class, 14 days; and
  - (ii) in any other case, 28 days;
- (e) an “excepted transfer” means, in relation to any shares held by a member:
  - (i) a transfer by way of or pursuant to acceptance of a takeover offer for the Company (within the meaning of section 974 of the Act); or
  - (ii) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or any other stock exchange outside the United Kingdom on which the Company’s shares are normally traded; or
  - (iii) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.

82.8 Nothing contained in this Article 82 shall be taken to limit the powers of the Company under the Companies Acts.

## **UNTRACED MEMBERS**

### **83. Power of sale**

83.1 Subject to the Uncertificated Securities Regulations, the Company shall be entitled to sell at the best price reasonably obtainable any share of a member, or any share to which a person is entitled by transmission, if and provided that:

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in sub-paragraph (b) below (or, if published on different dates, the earlier or earliest thereof) no cheque, order or warrant in respect of such share sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled by transmission to the share, at his address on the Register or other last known address given by the member or person to which cheques, orders or warrants in respect of such share are to be sent has been cashed and the Company has received no

communications in respect of such share from such member or person, provided that during such period of 12 years the Company has paid at least three cash dividends (whether interim or final) and no such dividend has been claimed by the person entitled to it;

- (b) on or after expiry of the said period of 12 years the Company has given notice of its intention to sell such share(s) by advertisements in two newspapers of which one shall be a national daily newspaper published in the United Kingdom and the other shall be a newspaper circulating in the area of the address on the Register or other last known address of the member or the person entitled by transmission to the share;
- (c) the said advertisements, if not published on the same day, shall have been published within 30 days of each other;
- (d) during the further period of three months following the date of publication of the said advertisements (or, if published on different dates, the later or latest thereof) and prior to the exercise of the power of sale the Company has not received any communication in respect of such share from the member or person entitled by transmission; and
- (e) the Company has given notice to the London Stock Exchange of its intention to make such sale, if shares of the class concerned are listed or dealt in on that exchange.

83.2 To give effect to a sale pursuant to this Article 83, the Board may authorise a person to transfer the share in the name and on behalf of the holder of, or the person entitled by transmission to, the share, or to cause the transfer of such share, to the purchaser or his nominee and in relation to an uncertificated share may require the Operator to convert the share into certificated form in accordance with the Uncertificated Securities Regulations. The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

83.3 If during the period of 12 years referred to in Article 83.1, or during any period ending on the date when all the requirements of paragraphs (a) to (e) of Article 83.1 have been satisfied, any additional shares have been issued in respect of those held at the beginning of, or previously so issued during, any such period and all the requirements of paragraphs (b) to (d) of Article 83.1 have been satisfied in regard to such additional shares, the Company shall also be entitled to sell the additional shares.

#### **84. Application of proceeds of sale**

The Company shall account to the member or other person entitled to such shares for the net proceeds of such sale by carrying all moneys in respect thereof to a separate account. The Company shall be deemed to be a debtor to, and not a trustee for, such member or other person in respect of such moneys. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments as the Board may from time to time think fit. No interest shall be payable to such member or other person in respect of such moneys and the Company shall not be required to account for any money earned on them.

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

### **85. Number of Directors**

Unless otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall be not more than ten or less than two.

### **86. Power of Company to appoint Directors**

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

### **87. Power of Board to appoint Directors**

Without prejudice to the power of the Company to appoint any person to be a Director pursuant to these Articles, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles. Any Director so appointed shall, unless his appointment is ratified by a resolution of the Company before the annual general meeting of the Company next following such appointment, retire at such annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

### **88. Appointment of executive Directors**

Subject to the provisions of the Companies Acts, the Board may from time to time appoint one or more of its body to hold any employment or executive office (including that of Chief Executive or Managing Director) for such term (subject to the provisions of the Companies Acts) and subject to such other conditions as the Board thinks fit in accordance with Article 112. The Board may revoke or terminate any such appointment without prejudice to any claim for damages for breach of contract between the Director and the Company.

### **89. Eligibility of new Directors**

No person, other than a Director retiring (by rotation or otherwise), shall be appointed or reappointed a Director at any general meeting unless:

- (a) he is recommended by the Board; or
- (b) not less than seven nor more than 42 clear days before the date appointed for the meeting, notice duly executed by a member (other than the person to be proposed) qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or re-appointment, stating the particulars which would, if he were so appointed or re-appointed, be required to be included in the Company's register of directors, together with notice executed by that person of his willingness to be appointed or re-appointed, is lodged at the Office.

### **90. Share qualification**

A Director shall not be required to hold any shares of the Company.

**91. Resolution for appointment**

A resolution for the appointment of two or more persons as Directors by a single resolution shall be void unless an ordinary resolution that it shall be so proposed has first been agreed to by the general meeting without any vote being given against it.

**92. Retirement**

92.1 At each annual general meeting of the Company when any one or more of the Directors who are subject to retirement by rotation:

- (a) were last appointed or reappointed three years or more prior to the meeting;
- (b) were last appointed or reappointed at the third immediately preceding annual general meeting; or
- (c) at the time of the meeting will have served more than eight years as a non executive director of the Company,

he or they shall retire from office.

92.2 If the number of Directors required by Article 92.1 to retire at any annual general meeting is less than one-third of the number of Directors who are subject to retirement by rotation (rounded down if not a whole number), additional such Directors, determined in accordance with Article 93, shall retire from office so that the total number of such Directors retiring by rotation at that annual general meeting is at least equal to one-third of the number of Directors who are subject to retirement by rotation (rounded down if not a whole number), provided that if there are fewer than three Directors who are subject to retirement by rotation, at least one shall retire from office.

**93. Directors subject to retirement by rotation**

Subject to the provisions of the Companies Acts and of these Articles, the Directors to retire by rotation at each annual general meeting shall be, so far as necessary to obtain the number required, first, any Director who wishes to retire and not offer himself for re-election and secondly, those Directors who have been longest in office since their last appointment or re-appointment. As between two or more Directors who have been in office an equal length of time, the Director to retire shall, in default of agreement between them, be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the start of business on the date of the notice convening the annual general meeting notwithstanding any change in the number or identity of the Directors after that time but before the close of the meeting.

**94. Position of retiring Director**

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

**95. Deemed re-appointment**

At any general meeting at which a Director retires by rotation the Company may fill the vacancy and, if it does not do so, the retiring Director shall, if willing, be deemed to have been re-appointed unless it is expressly resolved not to fill the vacancy or a resolution for the reappointment of the Director is put to the meeting and lost.

**96. No retirement on account of age**

No person shall be or become incapable of being appointed a Director by reason of his having attained the age of 70 or any other age, nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person. No Director shall vacate his office at any time by reason of the fact that he has attained the age of 70 or any other age.

**97. Removal by ordinary resolution**

The Company may by ordinary resolution remove any Director before the expiration of his period of office in accordance with the Companies Acts, but without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, and may (subject to these Articles) by ordinary resolution appoint another person who is willing to act to be a Director in his place. Any person so appointed shall be treated, for the purposes of determining the time at which he or any other Director is to retire, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed or re-appointed a Director.

**98. Vacation of office by Director**

Without prejudice to the provisions for retirement (by rotation or otherwise) contained in these Articles, the office of a Director shall be vacated if:

- (a) he resigns by notice in writing delivered to the Secretary at the Office or tendered at a Board meeting;
- (b) he ceases to be a Director by virtue of any provision of the Companies Acts, is removed from office pursuant to these Articles or the Act or becomes prohibited by law from being a Director;
- (c) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (d) an order is made by any court of competent jurisdiction on the ground (howsoever formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his affairs or he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, under the Mental Health (Scotland) Act 1984 and the Board resolves that his office be vacated;
- (e) both he and his alternate Director appointed pursuant to the provisions of these Articles (if any) are absent, without the permission of the Board, from Board meetings for six consecutive months and the Board resolves (within 2 months of the date of the last meeting from which he and such alternate Director were absent during such period) that his office be vacated; or
- (f) he is requested to resign by a notice in writing delivered to the Office or tendered at a meeting of the Board signed by all of the other Directors (not being less than two in number) and, for this purpose, like notices each signed by a Director shall be as effective as a single notice signed by a number of Directors.

**99. Resolution as to vacancy conclusive**

A resolution of the Board declaring a Director to have vacated office under the terms of Article 98 shall be conclusive as to the fact and grounds of vacation stated in the resolution.

**ALTERNATE DIRECTORS**

**100. Appointments**

100.1 Each Director (other than an alternate Director) may, by notice in writing delivered to the Secretary at the Office, or in any other manner approved by the Board, appoint any other Director or any person approved for that purpose by the Board and willing to act, to be his alternate.

100.2 No appointment of an alternate Director who is not already a Director shall be effective until his consent to act as a Director in the form prescribed by the Act has been received at the Office.

100.3 An alternate Director need not hold a share qualification and shall not be counted in reckoning any maximum or minimum number of Directors allowed by these Articles.

**101. Participation in Board meetings**

Every alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notice of all meetings of the Board and all committees of the Board of which his appointor is a member and, in the absence from such meetings of his appointor, to attend and vote at such meetings and to exercise all the powers, rights, duties and authorities of his appointor. A Director acting as alternate Director shall have a separate vote at Board meetings for each Director for whom he acts as alternate Director, but he shall count as only one for the purpose of determining whether a quorum is present.

**102. Alternate Director responsible for own acts**

Every person acting as an alternate Director shall be an officer of the Company, shall alone be responsible to the Company for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him.

**103. Interests of alternate Director**

An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director. However, he shall not be entitled to receive from the Company any fees for his services as alternate, except only such part (if any) of the fee payable to his appointor as such appointor may by notice in writing to the Company direct. Subject to this Article 103, the Company shall pay to an alternate Director such expenses as might properly have been paid to him if he had been a Director.

**104. Revocation of appointment**

An alternate Director shall cease to be an alternate Director:

- (a) if his appointor revokes his appointment; or

- (b) if his appointor ceases for any reason to be a Director, provided that if any Director retires but is re-appointed or deemed to be re-appointed at the same meeting, any valid appointment of an alternate Director which was in force immediately before his retirement shall remain in force; or
- (c) if any event happens in relation to him which, if he were a Director otherwise appointed, would cause him to vacate office.

## **DIRECTORS' REMUNERATION, EXPENSES AND PENSIONS**

### **105. Directors' fees**

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine provided that the aggregate amount paid to Directors by way of fees shall not exceed £220,000 in any financial year or such greater sum as may be determined from time to time by ordinary resolution of the Company. Any fees payable pursuant to this Article 105 shall be distinct from and shall not include any salary, remuneration for an executive office or other amounts payable to a Director pursuant to any other provisions of these Articles and shall accrue from day to day.

### **106. Expenses**

The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of his duties as Director, including any expenses incurred in attending meetings of the Board or any Committee of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company.

### **107. Additional remuneration**

If by arrangement with the Board any Director shall perform or render any special duties or services outside his ordinary duties as a Director (and not in his capacity as a holder of employment or an executive office), he may be paid such reasonable additional remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

### **108. Remuneration of executive Directors**

The salary or remuneration of any Director appointed to hold any employment or executive office in accordance with the provisions of these Articles may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the Board, and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to these Articles.

### **109. Pensions and other benefits**

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for, or to institute and maintain any institution, association, society, club, trust, other establishment or profit-sharing, share incentive, share purchase or employees' share scheme calculated to advance the interests of the Company or to benefit, any person who is or has at any time been a Director of the Company or any company which is a holding company or a subsidiary undertaking of or allied to or associated with the Company or any such holding company or subsidiary undertaking or any predecessor in business of the Company or of any such holding company or subsidiary undertaking, and for any member of his family (including a

spouse or former spouse) and any person who is or was dependent on him. For such purpose the Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the provisions of the Act, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with any of the aforesaid matters. The Board may procure any of such matters to be done by the Company either alone or in conjunction with any other person. Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under this Article 109 and shall not be obliged to account for it to the Company.

## **POWERS AND DUTIES OF THE BOARD**

### **110. Powers of the Board**

Subject to the provisions of the Companies Acts, the Memorandum of Association of the Company and these Articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company, whether relating to the management of the business or not. No alteration of the Memorandum of Association or of these Articles and no such direction given by the Company shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or such direction had not been given. Provisions contained elsewhere in these Articles as to any specific power of the Board shall not be deemed to limit the general powers given by this Article 110.

### **111. Powers of Directors being less than minimum number**

If the number of Directors is less than the minimum for the time being prescribed by these Articles, the remaining Director or Directors shall act only for the purposes of appointing an additional Director or Directors to make up such minimum or of convening a general meeting of the Company for the purpose of making such appointment. If there are no Director or Directors able or willing to act, any two members may summon a general meeting for the purpose of appointing Directors. Subject to the provisions of these Articles, any additional Director so appointed shall hold office only until the dissolution of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting.

### **112. Delegation to individual Directors**

The Board may from time to time:

- (a) delegate or entrust to and confer on any Director such of its powers, authorities and discretions (with power to sub-delegate) for such time, on such terms and subject to such conditions as it thinks fit; and
- (b) revoke, withdraw, alter or vary all or any of such powers.

### **113. Delegation to committees**

113.1 The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit to any committee consisting of one or more Directors and (if thought fit) one or more other persons, provided that:

- (a) a majority of the members of a committee shall be Directors; and
- (b) no resolution of a committee shall be effective unless a majority of those present when it is passed are Directors or alternate Directors.

113.2 The Board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary any of such powers and discharge any such committee in whole or in part. Insofar as any power, authority or discretion is so delegated, any reference in these Articles to the exercise by the Board of such power, authority or discretion shall be construed as if it were a reference to the exercise of such power, authority or discretion by such committee.

#### **114. Agents**

The Board may by power of attorney or otherwise, appoint any person or persons to be the agent of the Company and may delegate to any such person or persons any of its powers, authorities and discretions (with power to sub-delegate), in each case for such purposes and for such time, on such terms (including as to remuneration) and subject to such conditions as it thinks fit. The Board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary any of such powers.

#### **115. Exercise of voting power**

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

#### **116. Borrowing powers**

116.1 Subject as provided in this Article 116 the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the provisions of the Act, to create and issue debenture and other loan stock and debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

116.2 The Board shall restrict the borrowings of the Company and exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiary undertakings so as to procure (as regards its subsidiary undertakings in so far as it can procure by such exercise) that the aggregate principal amount at any one time outstanding in respect of moneys borrowed by the Group (exclusive of moneys borrowed by one Group company from another and after deducting cash deposited) shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to the Adjusted Capital and Reserves.

116.3 For the purposes only of this Article 116:

- (a) **“Adjusted Capital and Reserves”** means a sum equal to the aggregate from time to time of:
  - (i) the amount paid up (or credited as paid up) on the allotted or issued share capital of the Company; and
  - (ii) the amount standing to the credit of the reserves (disregarding any debit), whether or not distributable (including, without limitation, any revaluation reserve, merger reserve, special reserve, share premium account or capital redemption reserve), after adding

thereto or deducting therefrom any balance standing to the credit or debit of the profit and loss account;

all as shown in the relevant balance sheet.

- (b) **“cash deposited”** means an amount equal to the aggregate of the amounts beneficially owned by Group companies which are deposited for the time being with any bank or other person (not being a Group company) and which are repayable to any Group company on demand or within three months of such demand, subject, in the case of amounts deposited by a partly-owned subsidiary undertaking, to the exclusion of a proportion thereof equal to the proportion of its issued equity share capital which is not attributable, directly or indirectly, to the Company;
- (c) **“Group”** means the Company and its subsidiary undertakings from time to time;
- (d) **“Group company”** means any company in the Group;
- (e) **“moneys borrowed”** include not only moneys borrowed but also the following except in so far as otherwise taken into account:
  - (i) the nominal amount of any issued share capital and the principal amount of any debenture or borrowings of any person, the beneficial interest in which or right to repayment to which is not for the time being owned by a Group company but the payment or repayment of which is the subject of a guarantee or indemnity by a Group company or is secured on the assets of a Group company;
  - (ii) the principal amount raised by any Group company by acceptances or under any acceptance credit opened on its behalf by any bank or acceptance house (not being a Group company) other than acceptances and acceptance credits relating to the purchase of goods or services in the ordinary course of trading and outstanding for six months or less;
  - (iii) the principal amount of any debenture (whether secured or unsecured) of any Group company owned otherwise than by a Group company;
  - (iv) the principal amount of any preference share capital of any subsidiary undertaking owned otherwise than by a Group company;
  - (v) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing (but any premium payable on final repayment of an amount not to be taken into account as moneys borrowed shall not be taken into account); and
  - (vi) any fixed amount in respect of a hire-purchase agreement or of a finance lease payable in either case by a Group company which would be shown at the material time as an obligation in a balance sheet prepared in accordance with the accounting principles used in the preparation of the relevant balance sheet (and for the purpose of this sub-paragraph (vi) “finance lease” means a contract between a lessor and a Group company as lessee or sub-lessee where substantially all the risks and rewards of the ownership of the asset leased or sub-leased are to be borne by that company and “hire-

purchase agreement” means a contract of hire-purchase between a hire-purchase lender and a Group company as hirer);

but do not include:

- (vii) moneys borrowed by any Group company for the purpose of repaying, within six months of being first borrowed, the whole or any part of any moneys borrowed and then outstanding (including any premium payable on final repayment) of that or any other Group company pending their application for such purpose within that period;
- (viii) moneys borrowed by any Group company for the purpose of financing any contract in respect of which any part of the price receivable under the contract by that or any other Group company is guaranteed or insured up to an amount equal to that part of the price receivable under the contract which is so guaranteed or insured;
- (ix) an amount equal to the moneys borrowed of any company outstanding immediately after it becomes a Group company, provided that it became a Group company during the six months preceding the calculation;
- (x) an amount equal to the amount secured on an asset immediately after it was acquired by a Group company, provided that it was acquired during the six months preceding the calculation;
- (xi) notwithstanding sub-paragraph (i) to (vi) above, the proportion of moneys borrowed by a Group company (and not owing to another Group company) which is equal to the proportion of its issued equity share capital not attributable, directly or indirectly, to the Company;

and in sub-paragraphs (vii) to (xi) above references to amounts of moneys borrowed include references to amounts which, but for the exclusion under those sub-paragraphs, would fall to be included;

- (f) “**relevant balance sheet**” means the latest available consolidated balance sheet of the Group whether audited or unaudited but, where the Company has no subsidiary undertakings, it means the latest available balance sheet and profit and loss account of the Company whether audited or unaudited and, where the Company has subsidiary undertakings but there are no consolidated accounts of the Group, it means the respective latest available balance sheets and profit and loss accounts of the companies comprising the Group whether audited or unaudited;
- (g) “**subsidiary undertaking**” means a subsidiary undertaking (within the meaning of the Act) of the Company (except a subsidiary undertaking which is excluded from consolidation by virtue of the provisions of section 405 of the Act); and “**Group**” and “**Group company**” and references to any company which becomes a Group company or to companies comprising the Group shall, in such a case, be construed so as to include subsidiary undertakings and “**equity share capital**” shall be construed in relation to a subsidiary undertaking without a share capital in the same manner as “shares” are defined in relation to an undertaking without a share capital under section 1161(2)(a) and (b) of the Act.

- 116.4 When the aggregate amount of moneys borrowed required to be taken into account for the purposes of this Article 116 on any particular day is being ascertained, any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:
- (a) at the rate of exchange used for the conversion of that currency in the relevant balance sheet; or
  - (b) if no rate was so used, at the middle market rate of exchange prevailing at the close of business in London on the date of that balance sheet; or
  - (c) where the repayment of such moneys is expressly covered by a forward purchase contract, currency option, back-to-back loan, swap or other arrangements taken out and entered into to reduce the risk associated with fluctuations in exchange rates, at the rate of exchange specified in that document;

but if the amount in sterling resulting from conversion at that rate would be greater than that resulting from conversion at the middle market rate prevailing in London at the close of business on the business day immediately preceding the day on which the calculation falls to be made, the latter rate shall apply instead.

- 116.5 A report or certificate of the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of moneys borrowed falling to be taken into account for the purposes of this Article 116 or to the effect that the limit imposed by this Article 116 has not been or will not be exceeded at any particular time or times or as a result of any particular transaction or transactions shall be conclusive evidence of the amount or of that fact. Nevertheless, the Board may at any time act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves; and it in consequence the limit on borrowings set out in this Article 116 is inadvertently exceeded, an amount borrowed equal to the excess may be disregarded until the expiration of 60 days after the date on which (by reason of a determination of the Auditors or otherwise) the Board became aware that such a situation has or may have arisen.

- 116.6 No debt incurred or security given in respect of moneys borrowed in excess of the limit imposed by this Article 116 shall be invalid or ineffectual, except in the case of express notice to the lender or recipient of the security at the time when the debt was incurred or security given that the limit had been or would thereby be exceeded, but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.

## **PROCEEDINGS OF DIRECTORS AND COMMITTEES**

### **117. Board meetings**

Subject to the provisions of these Articles, the Board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit.

### **118. Notice of Board meetings**

One Director may, and the Secretary at the request of a Director shall, summon a Board meeting at any time on reasonable notice. 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 that purpose. A Director may waive the requirement that notice be given to him of any Board meeting, either prospectively or retrospectively. It shall not be necessary to give

notice of a Board meeting to a Director who is absent from the United Kingdom unless he has requested the Board in writing that notices of Board meetings shall during his absence be given to him at any address in the United Kingdom notified to the Company for this purpose, but he shall not, in such event, be entitled to a longer period of notice than if he had been present in the United Kingdom at that address.

**119. Quorum**

The quorum necessary for the transaction of business may be determined by the Board and until otherwise determined shall be two persons, each being a Director or an alternate Director. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions for the time being vested in or exercisable by the Board.

**120. Chairman of Board**

The Board may appoint one or more of its body Chairman or Joint Chairman and one or more of its body Deputy Chairman of its meetings and may determine the period for which he is or they are to hold office and may at any time remove him or them from office. If no such Chairman or Deputy Chairman is elected, or if at any meeting neither a Chairman nor a Deputy Chairman is present within five minutes of the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting. In the event of two or more Joint Chairmen or, in the absence of a Chairman, two or more Deputy Chairmen being present, the person to act as Chairman of the meeting shall be decided by those Directors present. Any Chairman or Deputy Chairman may also hold executive office.

**121. Voting**

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the Chairman of that meeting shall have a second or casting vote.

**122. Participation by telephone**

Any Director or his alternate may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or similar form of communication equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the Chairman of the meeting then is.

**123. Resolution in writing**

A resolution in writing executed by all the Directors for the time being entitled to receive notice of a Board meeting and not being less than a quorum, or by all the members of a committee of the Board for the time being entitled to receive notice of such committee meeting and not being less than a quorum of that committee, shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the Board (or committee, as the case may be). Such a resolution:

- (a) may consist of several documents in the same form each executed by one or more of the Directors or members of the relevant committee, including executions evidenced by means of facsimile transmission;
- (b) need not be signed by an alternate Director if it is signed by the Director who appointed him;

- (c) if signed by an alternate Director, need not also be signed by his appointor; and
- (d) to be effective, need not be signed by a Director who is prohibited by these Articles from voting thereon, or by his alternate Director.

**124. Proceedings of committees**

All committees of the Board shall, in the exercise of the powers delegated to them and in the transaction of business, conform to any mode of proceedings and regulations which the Board may prescribe and subject thereto shall be governed by such of these Articles as regulate the proceedings of the Board as are capable of applying.

**125. Minutes of proceedings**

125.1 The Board shall cause minutes to be made in books kept for the purpose of recording:

- (a) all appointments of officers and committees made by the Board; and
- (b) the names of Directors present at every meeting of the Board, of a committee of the Board, of the Company or of the holders of any class of shares or debentures of the Company, and all orders, resolutions and proceedings of such meetings.

125.2 Any such minutes, if purporting to be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting or the Secretary, shall be receivable as prima facie evidence of the matters stated in such minutes without any further proof.

**126. Validity of proceedings**

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

**DIRECTORS' INTERESTS AND CONFLICTS OF INTEREST**

**127. Application**

Articles 128 and 129 shall apply only until 00.01 a.m. on 1 October 2008 (or any earlier or later date on which section 175 of the Act becomes law). Articles 135 to 142 shall only apply from 00.01 a.m. on 1 October 2008 (or any earlier or later date on which section 175 of the Act becomes law).

**Provisions applying only until 1 October 2008:**

**128. Director may have interests**

Subject to the provisions of the Companies Acts and the Articles, a Director, notwithstanding his office:

- (a) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is

otherwise interested, either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise;

- (b) may hold any other office or place of profit under the Company (except that of Auditor or of auditor of a subsidiary of the Company) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange, either in addition to or in lieu of any remuneration provided for by any other Article;
- (c) may be a director or other officer, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- (d) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transaction or proposal and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

#### **129. Declaration of interests to Board**

A Director who, to his knowledge, is in any way (directly or indirectly) interested in any contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article 129:

- (a) a general notice given to the Board by a Director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, transaction, arrangement or proposal in which a specified person or class of persons is interested shall be deemed to be a sufficient disclosure under this Article in relation to such contract, transaction, arrangement or proposal; and
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

#### **Provisions continuing in force after 1 October 2008:**

#### **130. Interested Director not to vote or count for quorum**

Save as provided in this Article 130, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any proposal whatsoever to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him within the meaning of section 252 of the Act) is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company, unless (1) such interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or (2) the resolution concerns any of the following matters:

- (a) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;

- (b) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
- (d) a resolution concerning the Company funding his expenditure on defending proceedings or the Company doing something to enable him to avoid incurring such expenditure where all other Directors are being offered substantially the same arrangements;
- (e) a resolution about a contract relating to a pension fund, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which gives the Director benefits which are also generally given to employees to whom the fund or scheme relates;
- (f) any proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries in which offer he is or may be entitled to participate as a holder or subscriber of securities or in the underwriting or sub-underwriting of which he is to participate;
- (g) any contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other body corporate (a "relevant company") in which he (together with persons connected with him), directly or indirectly (and whether as an officer or shareholder, creditor or otherwise), does not hold or have a beneficial interest in one per cent. or more of either a relevant company or an intermediate company (any such interest being deemed for the purposes of this Article 130 to be a material interest in all circumstances); for the purposes of this paragraph (g):
  - (i) an intermediate company means a company having an interest in a relevant company which would be material if held by a Director;
  - (ii) a Director shall be deemed to have an interest in one per cent. or more of a relevant company or an intermediate company if directly or indirectly he is the holder of or beneficially interested in one per cent. or more of any class of equity share capital or of the voting rights available to members of either such company; and
  - (iii) there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or is in remainder (if and so long as some other person is entitled to receive the income from the trust) and any shares comprised in any authorised unit trust scheme in which the Director is interested only as a unit holder;
- (h) any contract, arrangement, transaction or proposal relating to an arrangement for the benefit of the employees of the Company or its Subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to which such arrangement relates, and concerning the adoption, modification or operation of a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme under which he may benefit and which either has been approved by or is subject to and conditional on approval by the Board of Inland Revenue for taxation purposes

or relates to both employees and Directors of the Company (or any of its subsidiaries) and does not accord to any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates;

- (i) any contract, arrangement, transaction or proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors pursuant to Article 173.

**131. Director's interest in own appointment**

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

**132. Chairman's ruling conclusive on Director's interest**

If any question arises at any meeting as to the materiality of a Director's interest (other than the Chairman's interest) or as to the entitlement of any Director (other than the Chairman) to vote or be counted in a quorum, and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be referred to the Chairman of the meeting. The Chairman's ruling in relation to the Director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned (so far as it is known to him) has not been disclosed to the Board.

**133. Directors' resolution conclusive on Chairman's interest**

If any question arises at any meeting as to the materiality of the Chairman's interest or as to the entitlement of the Chairman to vote or be counted in a quorum, and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be decided by resolution of the Directors or committee members present at the meeting (excluding the Chairman), whose majority vote shall be final and conclusive except in a case where the nature or extent of the interest of the Chairman (so far as it is known to him) has not been disclosed to the Board..

**134. Connected Persons and Alternate Directors**

For the purposes of Articles 128 to 142, an interest of a person who is for the purposes of the Companies Acts connected (which word shall have the meaning given to it by section 252 of the Act) with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director in addition to any interest which the alternate Director otherwise has. Articles 128 to 142 also apply to an alternate Director as if he were a Director otherwise appointed.

**Provisions applying only from 1 October 2008:**

### **135. Directors may have interests**

Provided that Article 136 and, where appropriate, Article 137 is complied with, a Director, directly or indirectly:

- (a) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested either in connection with his tenure of an office or place of profit or as seller, buyer or otherwise;
- (b) may hold any other office or place of profit with the Company (other than the office of auditor of the Company or any subsidiary thereof) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity to the Company or any such other company, and in any such case on such terms as to remuneration and otherwise as the board may arrange, either in addition to or in lieu of any remuneration provided for by any other article;
- (c) may be a director or other officer of, or employed by, or a party to any contract, transaction or arrangement with or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- (d) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any contract, transaction, arrangement or proposal or from any interest in any body corporate, and no such transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty under the Act or under the law not to accept benefit from third parties. For the avoidance of doubt, the Company shall have no claim arising from, or in consequence of, the Director's interest in any contract, arrangement or transaction within the scope of this Article 135, and the Director shall not breach any of his duties to the Company as a result of having that interest.

### **136. Declaration of interests**

136.1 A Director who, to his knowledge, is in any way (directly or indirectly) interested in:

- (a) a proposed contract, arrangement or transaction with the Company; or
- (b) a contract, arrangement or transaction that has already been entered into by the Company (unless the interest has already been declared under sub-paragraph (a) above);

may (in respect of sub-paragraph (a) above) and shall (in respect of sub-paragraph (b) above), make a declaration of interest at a meeting of the Directors or by general or specific notice to the Directors in accordance with the Act.

136.2 For the purposes of this Article 136:

- (a) any declaration of interest under sub-paragraph 136.1(a) above must be made before the Company enters into the contract, arrangement or transaction or, to the extent earlier, in the case of an interest which arose before 1 October 2008 (or any earlier or later date on which section 175 of the Act becomes law), at the first meeting of the Directors at which the question of entering into the proposed contract, arrangement or transaction is first taken into consideration;

- (b) any declaration of interest under sub-paragraph 136.1(b) above must be made as soon as reasonably practicable. Failure to comply with this requirement does not affect the underlying duty to make the declaration of interest;
- (c) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge is not treated as his interest;
- (d) if a declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made; and
- (e) a Director need not declare an interest:
  - (i) if it cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - (ii) if, or to that extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
  - (iii) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered by a meeting of the Directors or by a committee of the Directors appointed for the purposes under the articles.

**137. Power of the board to authorise conflicts of interest**

137.1 The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law:

- (a) any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties);
- (b) a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and without prejudice to the generality of paragraph (a) above, may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

137.2 Any such authorisation under paragraph 137.1 above will only be effective if:

- (a) any requirement as to quorum at the meeting at which the matter is considered is met without counting the Director in question or any other interested Director; and
- (b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

137.3 A Director shall not, by reason of his office, be accountable to the Company for any benefit which derives from any matter, or from any office, employment or position, which has been approved by the Directors pursuant to this Article 137 (subject in any such case to any limits or conditions to which such approval was subject).

**138. Entitlement to keep information confidential**

Subject to Article 140, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person. In particular, the Director shall not be in breach of the general duties he owes to the Company under the Act because he fails:

- (a) to disclose any such information to the board or to any Director or other officer or employee of the Company; and/or
- (b) to use or apply any such information in performing his duties as a Director of the Company.

**139. Avoiding conflicts of interest**

Where the existence of a Director's relationship with another person is authorised by the board pursuant to Article 137 (and subject to any limits or conditions imposed by therein) and his relationship with that person gives rise to a conflict of interest or possible conflict of interest, the Director shall not be in breach of the general duties he owes to the Company under the Act because he:

- (a) absents himself from meetings of the Directors at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed; and
- (b) makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company and/or makes arrangements for such documents and information to be received and read by a professional adviser, for so long as he reasonably believes such conflict of interest or possible conflict of interest subsists.

**140. Overriding principles**

The provisions of Articles 138 and 139 are without prejudice to any equitable principle or rule of law which may excuse the Director from:

- (a) disclosing information in circumstances where disclosure would otherwise be required under these articles; or
- (b) attending meetings or discussions or receiving documents and information as referred to in Article 139, in circumstances where such attendance or receiving such documents and information would otherwise be required under the articles.

**141. Relaxation of provisions**

Subject to the provisions of the Act, and to the Listing Rules, the Company may by ordinary resolution suspend or relax any of the provisions of Articles 135 to 141, either generally or in respect of any particular matter, or ratify any transaction not duly authorised by reason of contravention of the articles.

**142. Definitions**

For the purposes of Articles 135 to 141:

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties;
- (b) an interest means a direct or an indirect interest;
- (c) an interest, transaction or arrangement of which a Director is aware includes an interest, transaction or arrangement of which that Director ought reasonably to be aware; and

## **SEALS**

### **143. Safe custody**

The Board shall provide for the safe custody of the Seal (if any) and of any other seal of the Company.

### **144. Application of seals**

The Seal shall be used only by the authority of a resolution of the Board or of a committee of the Board so authorised. The Board may determine whether any instrument to which the Seal is affixed shall be signed and, if it is to be signed, who shall sign it and by what means. The Board may also determine, either generally or in a particular case, that a signature may be dispensed with or affixed by mechanical or other means. Unless otherwise so determined:

- (a) share certificates and, subject to the provisions of any instrument constituting the same, certificates issued under the Seal in respect of any debentures or other securities need not be signed and any signature may be affixed to or printed on any such certificate by any means approved by the Board; and
- (b) every other instrument to which the Seal is affixed shall be signed by one Director and by the Secretary or by two Directors.

### **145. Official seal for use abroad**

Subject to the provisions of the Companies Acts, the Company may have an official seal for use in any place abroad.

## **THE SECRETARY**

### **146. The Secretary**

146.1 Subject to the provisions of the Companies Acts, the Board shall appoint a Secretary or Joint Secretaries and shall have power to appoint one or more persons to be an Assistant or Deputy Secretary at such remuneration and on such terms and conditions as it thinks fit.

146.2 Any provision of the Companies Acts or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

## **DIVIDENDS AND OTHER PAYMENTS**

### **147. Declaration of dividends**

Subject to the provisions of the Companies Acts and of these Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.

### **148. Interim dividends**

Subject to the provisions of the Companies Acts, the Board may declare and pay such Interim dividends (including any dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those with preferential rights.

### **149. Entitlement to dividends**

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, 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, it shall rank for dividend accordingly.

### **150. Calls or debts may be deducted from dividends**

The Board may deduct from any dividend or other money payable to any person on or in respect of a share all such sums as may be due from him to the Company on account of calls or otherwise in relation to the shares of the Company.

### **151. Distribution in specie**

The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks fit. In particular, the Board may:

- (a) issue fractional certificates (or ignore fractions);
- (b) fix the value for distribution of such assets or any part thereof and determine that cash payments may be made to any members on the footing of the value so fixed, in order to adjust the rights of members; and
- (c) vest any such assets in trustees on trust for the persons entitled to the dividend.

**152. Dividends not to bear interest**

Unless otherwise provided by the rights attached to the share, no dividend or other moneys payable by the Company or in respect of a share shall bear interest as against the Company.

**153. Method of payment**

153.1 The Company may pay any dividend, interest or other sum payable in respect of a share in cash or by cheque, direct debit, bank transfer, dividend warrant, money order, or, if the Board so decides, by means of a relevant system in respect of an uncertificated share, subject to any procedures established by the Board to enable a holder of uncertificated shares to elect not to receive dividends by means of a relevant system and to vary or revoke any such election and the person entitled to a payment has in writing authorised the payment to be made by means of that system, or by any other method (including by electronic media) as the Board may consider appropriate and may send the same by post or other delivery service (or by such other means offered by the Company as the member or persons entitled to it may give in writing) to the registered address (or in the case of a Depository, subject to the approval of the Board, such persons and addresses as the Depository may require) of the member or person entitled to it.

153.2 Where a share is held jointly, or two or more persons are jointly entitled by transmission to a share, the Company may pay any dividend, interest or other amount payable in respect of that share to any one joint holder, or any one person entitled by transmission to the share, and in either case that holder or person may give an effective receipt for the payment. For any of the purposes of this Article 153, the Company may rely in relation to a share on the written direction or designation of any one joint holder of the share, or any one person entitled by transmission to the share.

153.3 Every cheque, warrant or order or other form of payment is sent at the risk of the person entitled to the money represented by it, shall (where relevant) be crossed in accordance with the Cheques Act 1992 and shall be made payable to the order of the person or persons entitled, or to such other person as the person or persons entitled may direct in writing. Payment of the cheque, warrant or order shall be a good discharge to the Company. If any such cheque, warrant or order has or shall be alleged to have been lost, stolen or destroyed, the Board may, at the request of the person entitled thereto, issue a replacement cheque or warrant or order subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Board may think fit.

153.4 Any joint holder or other person jointly entitled to a share may give an effective receipt for any dividend or other moneys payable in respect of such share,

153.5 The Board may, at its discretion, make provisions to enable such Depository and/or member as the Board shall from time to time determine to receive dividends duly declared in a currency or currencies other than sterling. For the purposes of the calculation of the amount receivable in respect of any dividend, the rate of exchange to be used to determine the foreign currency equivalent of any sum payable as a dividend shall be such rate or rates and the payment thereof shall be on such terms and conditions as the Board may in its absolute discretion determine.

**154. Payment of scrip dividends**

The Board may, with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to any holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead

of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution. The following provisions shall apply:

- (a) the said resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period or periods;
- (b) the entitlement of each holder of Ordinary Shares to new Ordinary Shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder would have received by way of dividend. For this purpose “relevant values” shall be calculated by reference to the average of the middle market quotations for the Ordinary Shares on the London Stock Exchange, as derived from the Daily Official List, for the day on which the Ordinary Shares are first quoted “ex” the relevant dividend and the four subsequent dealing days, or in such other manner as the Board may determine on such basis as it considers to be fair and reasonable. A certificate or report by the Auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount;
- (c) no fractions of a share shall be allotted;
- (d) the Board shall, after determining the basis of allotment, notify the holders of Ordinary Shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which, elections must be lodged in order to be effective;
- (e) the Board may exclude from any offer any holders of Ordinary Shares or any Ordinary Shares held by a Depositary or any Ordinary Shares on which dividends are payable in foreign currency where the Board considers that the making of the offer to them or in respect of such shares would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them or in respect of such shares;
- (f) the Board may determine that every duly effected election in respect of any Ordinary Shares shall be binding on every successor in title to the holder thereof;
- (g) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect of which an election has been duly made (“the elected Ordinary Shares”) and instead additional Ordinary Shares shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment determined as aforesaid. For such purpose the Board may capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve) or of any of the profits which could otherwise have been applied in paying dividends in cash as the Board may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to the holders of the elected Ordinary Shares on that basis. A Board resolution capitalising any part of such reserve or fund or profits shall have the same effect as if such capitalisation had been declared by ordinary resolution of the Company in accordance with Article 158 and in relation to any such capitalisation the Board may exercise all the powers conferred on them by Article 149 without need of such ordinary resolution;

- (h) the additional Ordinary Shares so allotted shall rank pari passu in all respects with each other and with the fully paid Ordinary Shares in issue on the record date for the dividend in respect of which the right of election has been offered, except that they will not rank for any dividend or other distribution or other entitlement which has been declared, paid or made by reference to such record date; and
- (i) the Board may terminate, suspend or amend any offer of the right to elect to receive Ordinary Shares in lieu of any cash dividend at any time.

**155. Uncashed dividends**

If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto are returned undelivered to the Company or left uncashed on two consecutive occasions, or, following one occasion, reasonable enquiries have failed to establish any new address to be used for the purpose, the Company shall not be obliged to send any dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

**156. Unclaimed dividends**

All dividends, interest or other sums payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having been declared or become due for payment shall (if the Board so resolves) be forfeited and shall cease to remain owing by the Company.

**157. Reserves**

The Board may, before recommending any dividend (whether preferential or otherwise) but having regard to section 842 of the Income and Corporation Taxes Act 1988, carry to reserve out of the profits of the Company such sums as it thinks fit. All sums standing to reserve may be applied from time to time, at the discretion of the Board, for any purpose to which the profits of the Company may properly be applied and, pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board thinks fit. The Board may divide the reserve into such special funds as it thinks fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as it thinks fit. Any sum which the Board may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute.

**158. Capitalisation of reserves**

The Board may, with the authority of an ordinary resolution of the Company but subject to any special rights attaching to any shares:

- (a) subject as provided in this Article 158, 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 any reserve or fund of the Company which is available for distribution or standing to the credit of the Company's share premium account or capital redemption reserve or other undistributable reserve;

- (b) appropriate the sum resolved to be capitalised to the holders of shares in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, in those proportions, provided that
  - (i) the share premium account, the capital redemption reserve, any other undistributable reserve and any profits which are not available for distribution may, for the purposes of this Article 158, only be applied in paying up unissued shares to be allotted to members credited as fully paid; and
  - (ii) in a case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company, the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves as shown in the latest audited accounts of the Company or such other accounts as may be relevant and would not be reduced below that aggregate by the payment of such sums;
- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends;
- (d) make such provision by the issue of fractional certificates (or by ignoring fractions or by accruing the benefit thereof to the Company rather than to the holders of shares concerned) or by payment in cash or otherwise as it thinks fit in the case of shares or debentures becoming distributable in fractions;
- (e) authorise any person to enter on behalf of all the holders of shares concerned into an agreement with the Company providing for either (i) the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled on such capitalisation or (ii) the payment up by the Company on behalf of such holders by the application thereto of their respective proportions of the reserves or profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares (any agreement made under such authority being effective and binding on all such holders); and
- (f) generally do all acts and things required to give effect to such resolution.

## **159. Distribution of realised capital profits**

- 159.1 The Board shall establish a reserve to be called the capital reserve. All surpluses arising from the realisation or revaluation of investments and all other moneys realised on or derived from the realisation, payment off of or other dealing with any capital asset in excess of the book value thereof and all other moneys which are considered by the Board to be in the nature of accretion to capital reserves shall be credited to the capital reserve. Subject to the Act, the Board may determine whether any amount received by the Company is to be dealt with in the income account or capital reserve or partly one way and partly the other. Any loss realised on the realisation or payment off of or other dealing with

any investments or other capital assets and, subject to the Act, any expenses, loss or liability (or provision therefor) which the Board considers to relate to a capital reserve item or which the Board otherwise considers appropriate to be debited to the capital reserve shall be carried to the debit of the capital reserve. All sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to any revenue reserve are applicable except and provided that notwithstanding any other provision of these Articles no part of the capital reserve or any other money in the nature of accretion to capital reserves shall be available for distribution as dividend.

- 159.2 In this Article 159, Relevant Period means any time when the Company has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company. During a Relevant Period, distribution of the Company's capital profits (within the meaning of section 833(2)(c) of the Act) otherwise than by the redemption or purchase of the Company's own shares in accordance with section 687 or 692 of the Act is prohibited.

**160. Record dates**

Notwithstanding any other provision of these Articles, but without prejudice to the rights attached to any shares and subject always to the Act, the Company or the Board may by resolution specify any date as the record date for any dividend, distribution, allotment or issue. Such record date may be on or at any time before any date on which such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

## ACCOUNTS

**161. Accounts to be sent to members**

- 161.1 Except as provided in Article 161.2, a printed copy of the Directors' and Auditors' reports accompanied by printed copies of the annual accounts shall, not less than 21 clear days before the annual general meeting before which they are to be laid, be delivered or sent by post to every member and holder of debentures of the Company and to the Auditors and to every other person who is entitled to receive notice of general meetings. However, this Article 161.1 shall not require a copy of those documents to be sent to any person who under the provisions of these Articles is not entitled to receive notices from the Company or of whose address the Company is unaware or to any holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures.

- 161.2 The Board may determine that persons entitled to receive a copy of the Directors' and Auditors' reports and printed copies of the annual accounts are those persons entered on the register at the close of business on a day determined by the Board, provided that, if the Company is a participating issuer, the day determined by the Board may not be more than 21 days before the day that the relevant copies are being sent.

**162. Summary financial statements**

The Company may, in accordance with section 426 of the Act and any regulations made under it, send a summary financial statement to any member instead of or in addition to the documents referred to in Article 161. Where it does so, the statement shall be delivered or sent by post to the member not less than 21 clear days before the annual general meeting before which those documents are to be laid.

**163. Electronic communication**

163.1 Any document required or permitted to be sent by the Company to a person pursuant to Articles 161 or 162 shall be treated as sent if:

- (a) sent by electronic communication to an address for the time being notified to the Company by that person for that purpose; or
- (b) published on a website, provided that the following conditions are met:
  - (i) the Company and that person have agreed, or that person is deemed to have agreed, in accordance with the provisions of the Companies Acts, that such documents may be accessed by him on a website (instead of their being sent by post or otherwise delivered to him);
  - (ii) that person is notified, in a manner for the time being agreed or deemed to have been agreed for the purpose between him and the Company, of:
    - (A) the publication of the documents on a website;
    - (B) the address of the website;
    - (C) the place on that website where the documents may be accessed; and
    - (D) how they may be accessed.

163.2 Documents treated in accordance with Article 163.1(b) as sent to any person are to be treated as sent to him not less than 21 clear days before the date of a meeting if, and only if:

- (a) the documents are published on the website throughout a period beginning at least 21 clear days before the date of the meeting and ending with the conclusion of the meeting; and
- (b) the notification given for the purposes of Article 163.1(b)(ii) is given not less than 21 clear days before the date of the meeting.

163.3 Nothing in Article 163 shall invalidate the proceedings of a meeting where any documents that are required to be published as mentioned in Article 163.1 are by accident published in different places on the website or published for a part, but not all, of the period mentioned in that sub-paragraph.

**NOTICES**

**164. Notices to be in writing or in electronic communication**

Any notice to be given to or by any person pursuant to these Articles shall be in writing, or in an electronic communication and sent or delivered to an address for the time being notified for that purpose to the person giving the notice, except that a notice convening a Board or Board committee meeting need not be in writing.

**165. Service of notice on members**

165.1 The Company may give any notice or document (including a share certificate) to a member, either personally or by sending it by post or other delivery service in a prepaid

envelope addressed to the member at his registered address or by leaving it at that address or by giving it by electronic communication to an address for the time being notified to the Company by the member for that purpose or by any other means authorised in writing by the member concerned. In the case of a member registered on an overseas branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained.

165.2 A notice of a general meeting may, instead of being sent to the member in any of the ways specified in Article 165.1, be given to a member by the Company by publishing the notice on a web site, provided that the following conditions are met:

- (a) the member and the Company have agreed, or the member is deemed to have agreed, in accordance with the provisions of the Companies Acts, that notices of general meetings may be accessed by the member on a website instead of being sent to the member in one of the ways specified in Article 165.1; and
- (b) the member is given a notification, in the manner agreed or deemed to have been agreed for the time being between the member and the Company, containing the following information:
  - (i) the fact that the notice has been published on the website;
  - (ii) the address of the website;
  - (iii) the place on the website where the notice may be accessed and how it may be accessed;
  - (iv) a statement that it concerns a notice of general meeting served in accordance with the Act;
  - (v) the place, date and time of the general meeting; and
  - (vi) whether the general meeting is to be an annual or general meeting.

165.3 A notice of general meeting given under Article 165.2 is deemed to be given at the time that the notification under Article 165.2(b) is deemed, having regard to the agreed manner of notification, to be given in accordance with Article 167.

165.4 In the case of joint holders of a share, all notices or documents shall be given to the joint holder whose name stands first in the Register in respect of the joint holding. Notice so given shall be sufficient notice to all the joint holders.

165.5 Where a member (or, in the case of joint holders, the person first named in the Register) has a registered address outside the United Kingdom but has notified the Company of an address within the United Kingdom at which notices or other documents may be given to him, he shall be entitled to have notices given to him at that address; but otherwise no such member shall be entitled to receive any notice or document from the Company.

165.6 If on three consecutive occasions notices or other documents have been sent through the post to any member at his registered address or his address for the service of notices but have been returned undelivered, such member shall not thereafter be entitled to receive notices or other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for the service of notices.

**166. Notice in case of death, bankruptcy or mental disorder**

The Company may give notice to the person entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law, by sending or delivering it in any manner authorised by these Articles for the giving of notice to a member, addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or representative by operation of law or by any like description, at the address (if any) within the United Kingdom supplied for the purpose by the person claiming to be so entitled. Until such an address has been so supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy or operation of law had not occurred.

**167. Evidence of service**

167.1 Any member present, in person or by proxy, at any meeting of the Company or of the holders of any class of shares of the Company shall be deemed to have received due notice of such meeting, and, where requisite, of the purposes for which such meeting was called.

167.2 Any notice certificate or other document, addressed to a member at his registered address or address for service in the United Kingdom shall, if sent by post, be deemed to have been served or delivered on the day after the day when it was put in the post (or, where second-class mail is employed, on the second day after the day when it was put in the post). Proof that an envelope containing the notice, certificate or document was properly addressed and put into the post as a prepaid letter shall be conclusive evidence that the notice was given. Any notice, certificate or other document not sent by post but delivered or left at a registered address or address for service in the United Kingdom shall be deemed to have been served or delivered on the day on which it was so delivered or left. Proof that an electronic communication was properly addressed and sent shall be conclusive evidence that the notice was given. A notice contained in an electronic communication sent in accordance with the Articles is deemed to be given on the day that it was so sent.

**168. Notice binding on transferees**

Every person who, by operation of law, transfers or by any other means becomes entitled to a share shall be bound by any notice in respect of that share (other than a notice given by the Company under section 793 of the Act) which, before his name is entered in the Register, has been duly given to a person from whom he derives his title.

**169. Notice by advertisement**

Any notice to be given by the Company to the members or any of them, and not otherwise provided for by these Articles, shall be sufficiently given if given by advertisement in at least one national daily newspaper published in the United Kingdom and, where the Company keeps an overseas branch register, in at least one daily newspaper published in the territory in which such register is maintained. Any notice given by advertisement shall be deemed to have been served at noon on the day on which the advertisement first appears.

**170. Suspension of postal services**

If at any time by reason of the threat of or of the suspension, interruption or curtailment of postal services within the United Kingdom the Company is or would be unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national daily newspaper with appropriate circulation and, where the Company keeps an overseas branch register, in at least one daily newspaper published in the territory in which such register is maintained. Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day on

which the first of such advertisements appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

## **WINDING UP**

### **171. Life of the Company**

The Company has been incorporated for an unlimited duration. However, at any time, a general meeting of the Company may be convened pursuant to Article 56 at which a resolution may be proposed pursuant to section 84 of the Insolvency Act 1986 requiring the Company to be wound up voluntarily. Notwithstanding any provisions of these Articles as regards the powers and duties of the Directors, the vote taken on such resolution shall be taken on a poll.

## **INDEMNITY**

### **172. Right to indemnity**

172.1 Subject to the provisions of the Companies Acts, but without prejudice to any indemnity to which he may be otherwise entitled, every Director, alternate Director, Secretary or other officer of the Company shall be entitled to be indemnified and, if the Board so determines an Auditor may be indemnified, out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him in the actual or purported execution or discharge of his duties or exercise of his powers or otherwise in relation thereto, including (without prejudice to the generality of the foregoing) any liability incurred defending any proceedings (whether civil or criminal) which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company, or as Auditor, and in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Companies Acts in which relief is granted to him by any court of competent jurisdiction.

172.2 Without prejudice to Article 172.1 or to any indemnity to which a Director may otherwise be entitled, and to the extent permitted by the Companies Acts and otherwise upon such terms and subject to such conditions as the Board may in its absolute discretion think fit, the Board shall have the power to make arrangements to provide anyone who is or was a Director with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with any application falling within Article 172.1 or to enable any such person to avoid incurring any such expenditure.

172.3 Where at any meeting of the Board or a committee of the Board any arrangement falling within Article 172.2 is to be considered, a Director shall be entitled to vote and be counted in the quorum at such meeting unless the terms of such arrangement confers upon such Director a benefit not generally available to any other Director; in that event, the interest of such Director in such arrangement shall be deemed to be a material interest for the purposes of Article 130 and he shall not be so entitled to vote or be counted in the quorum.

### **173. Power to insure**

Subject to the provisions of the Companies Acts, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a Director or other officer or employee of the Company or of any other company which is a subsidiary or subsidiary undertaking of the Company or in which the Company has an interest whether direct or indirect or who is or was at any time a trustee of any pension fund or employee benefits trust in which any employee of the Company or of any

such other company or subsidiary undertaking is or has been interested indemnifying such person against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, officer, employee or trustee.

## **DISPUTE RESOLUTION**

### **174. Jurisdiction**

Any proceeding, suit or action between a shareholder in that shareholder's capacity as such and the Company and/or the Board arising out of or in connection with these Articles or otherwise and/or, to the fullest extent permitted by law, between the Company and any of its Directors in their capacities as such or as employees of the Company, including all claims made by or on behalf of the Company against the Board, may only be brought in the courts of England and Wales.

### **175. Governing Law**

The governing law of these Articles is the substantive law of England.

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