

**Company No: 03882621**

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

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**PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**- of -**

**ULTIMATE SPORTS GROUP PLC**

**Adopted pursuant to a Special Resolution dated 29 December 2011 and amended by way of special resolutions of the Company dated 29 October 2015 and 12 March 2018**

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**1. PRELIMINARY**

1.1 No regulations or model articles set out in any statute (including any schedule to any statute or statutory instrument) concerning companies shall apply as regulations or articles of the Company and the articles contained in this document shall be the Articles of Association of the Company.

1.2 In these Articles:

if not inconsistent with the subject or context (1) words importing the singular number include the plural, and vice versa; (2) words importing one gender include any gender; (3) references to statutory provisions shall be construed as referring to those provisions as amended or re-enacted and from time to time in force; and (4) save for the words standing in the first column of the table below which shall bear the meanings set opposite to them respectively in the second column thereof, any words or expressions defined in the Act shall bear the same meaning as therein given to them but excluding any statutory modification thereof not in force at the date of adoption by the Company of these Articles;

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| “the Act”           | the Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force and every other enactment which may from time to time be cited together therewith as "the Companies Acts" of specified years;                     |
| “address”           | has the meaning given to it at Section 1148 of the Act;   |
| “these Articles”    | these Articles of Association as herein contained or as from time to time altered and the expression “this Article” shall be construed accordingly;   |
| “the Board”         | means the board of directors of the Company or the directors present at a meeting of directors at which a quorum is present;  |
| “Clear Days”        | 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;   |
| “the Company”       | Ultimate Sports Group Plc;  |
| "Deferred Shares"   | deferred shares of 9 pence each in the capital of the Company;  |
| “electronic”        | has the meaning given at Section 1168 of the Act;   |
| “electronic forms”  | has the meaning given at Section 1168 of the Act;   |
| “executed”          | includes any mode of execution;   |
| “hard copy form”    | has the meaning given at Section 1168 of the Act;   |
| “the holder”        | in relation to shares means a member whose name is entered in the Register as the holder of the shares and “shareholder” and “member” shall be construed accordingly;   |
| “Office”            | the registered office for the time being of the Company or in the case of sending or supplying documents or information by electronic means the address specified by the Board for the purpose of receiving documentation or information by electronic means; |
| “Ordinary Shares”   | ordinary shares of 1 pence each in the capital of the Company;  |
| “paid up”           | paid up or credited as paid up;   |
| “recognised person” | means a recognised clearing house or nominee of a recognised clearing house or a recognised investment  |

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|                             | exchange which is designated as mentioned in Section 778(2) of the Act;  |
| “Register”                  | means in relation to a certified share register of members of the Company to be kept pursuant to the Act and in relation to an uncertified share, the register of members of the Company maintained by the operator of the relevant system through which legal title to that share is evidenced; |
| “Regulations”               | the Uncertificated Securities Regulations 2001 (as amended), including any modification of them or any regulations in substitution of them from time to time in force;   |
| “relevant systems”          | has the meaning set out in the Regulations;  |
| “Seal”                      | the common seal of the Company or if appropriate any official seal which the Company may have pursuant to the Act;   |
| “Secretary”                 | the secretary of the Company and (subject to the provisions of the Act) any other person appointed by the directors to perform any of the duties of the secretary of the Company, including a joint, assistant or deputy secretary;  |
| “the London Stock Exchange” | The London Stock Exchange plc;   |
| “the United Kingdom”        | the United Kingdom of Great Britain and Northern Ireland;  |
| “Treasury Shares”           | has the meaning ascribed to that expression in Section 724(5) of the Act.  |

1.3 Headings are for ease of reference only and shall not affect the construction of these Articles.

## 2. **RIGHTS ATTACHING TO SHARES**

2.1 The rights attaching to the Ordinary Shares and the Deferred Shares will be as follows:

2.1.1 as regards income:

2.1.1.1 the holders of the Ordinary Shares shall be entitled to receive the profits of the Company available for distribution (as defined and described in the Companies Acts) and as determined to be distributed by way of a dividend in proportion to the amounts paid up of credited as paid up on the said Ordinary Shares;

2.1.1.2 the Deferred Shares shall confer on their holders the right as a class to receive 0.1p for each £999.999 of dividends or other distributions resolved to be distributed out of the profits

of the Company available for distribution, the same to be distributed amongst the holders of the Deferred Shares in proportion to the amounts paid up or credited as paid up thereon;

2.1.2 as regards capital, in the event of the winding up of the Company or other return of capital:-

2.1.2.1 the Ordinary Shares shall confer upon the holders thereof the right to receive a return of the assets available for distribution amongst the members in proportion to the amounts paid up or credited as paid up thereon;

2.1.2.2 the Deferred Shares shall confer upon the holders thereof as a class the right to receive 0.1p for each £999.999 of the assets of the Company available for distribution amongst the members, the same to be distributed amongst the holders of the Deferred Shares in proportion to the amounts paid up or credited as paid up thereon;

2.1.3 as regards voting:-

2.1.3.1 the Ordinary Shares shall confer on the holders thereof the right to attend and vote at any general meeting of the Company and to receive notice thereof;

2.1.3.2 the Deferred Shares shall not at any time confer on the holders thereof any right to attend or vote at any general meeting of the Company or to receive notice thereof.

### **3. VARIATION OF RIGHTS**

3.1 Subject to the provisions of the Act, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated, whether or not the Company is being wound up, either (a) in such manner (if any) as may be provided by such rights or (b) in the absence of any such provision with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as Treasury Shares), or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class, but not otherwise.

3.2 To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, so far as applicable and with the necessary modifications, apply, except as provided for by the provision of Section 334 of the Act.

3.3 The rights conferred upon the holders of any class of shares issued with preferred or other special rights shall not (unless otherwise expressly provided by these Articles or by the conditions of issue or of rights attaching to such shares) be deemed to be varied by the creation or issue of further shares ranking in some or all respects *pari passu* in all respects therewith (save as to the date from which such new shares shall rank for dividend) 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 Act and/or these Articles.

#### **4. SHARES**

- 4.1 Subject to the provisions of these Articles and the Act and to any relevant authority of the Company in general meeting required by the Act, all unissued shares shall be at the disposal of the Board who may allot, (with or without conferring rights of renunciation), grant options over or warrants in respect of, offer or otherwise deal with or dispose of them or grant rights to subscribe for or convert any securities into shares, to such persons, at such times and generally on such terms and conditions as they may determine, provided that no share shall be issued at a discount.
- 4.2 Subject to the provisions of the Act and to any special rights attaching to any shares, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders.
- 4.3 Subject to the provisions of the Act and to any special rights attaching to any shares, the Company shall have power to purchase its own shares, including any redeemable shares. Any shares to be so purchased may be selected in any manner whatsoever.
- 4.4 The Company may exercise the powers to the fullest extent conferred by the Act in paying commissions to persons subscribing or procuring subscriptions for shares in the Company, or agreeing so to do, whether absolutely or conditionally. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.
- 4.5 Except as expressly provided for in these Articles, or required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share or any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

#### **5. CERTIFICATES**

- 5.1 Every person whose name is entered as a member in the Register (except a recognised person in respect of whom the Company is not by law required to complete and have ready for delivery a certificate and except in respect of uncertified shares to which Article 6 applies) shall be entitled without payment, to one certificate for all his shares of each class. Every certificate shall be issued within two months after allotment or the lodgement with the Company of the transfer of the shares (not being a transfer which the Company is for any reason entitled to refuse to register and does not register) unless the conditions of issue of such shares otherwise provide, and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates and the amount paid up thereon.
- 5.2 The Company shall not be bound to register more than four persons as the joint holders of any share or shares and, in the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefore, and delivery of a certificate for a share to the first named joint holders shall be sufficient delivery to all.
- 5.3 Where a member (not being a recognised person) transfers part of the shares comprised in his holding he shall be entitled to a certificate for the balance of his holding without charge.

- 5.4 All forms of certificates for share or loan capital or other securities of the Company which have been approved by the directors or a committee of the directors need not (save to the extent that the terms and conditions for the time being relating to any debentures of the Company otherwise require) be signed or countersigned by any person. Subject as aforesaid, any such certificate may, if the directors so determine, bear signatures affixed by some mechanical system or process or the names of the Company's issuing agents.
- 5.5 If a share certificate be defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and the payment of any exceptional out of pocket expenses incurred by the Company in investigating evidence as the directors think fit but otherwise free of charge and (in case of defacement or wearing out) on delivery up to the Company of the old certificate.
- 5.6 The issued shares of a particular class which are fully paid up and rank pari passu for all purposes shall not bear a distinguishing number. All other shares shall bear a distinguishing number.
- 5.7 No certificate shall be issued representing shares of more than one class.

## 6. **UNCERTIFICATED SHARES**

### 6.1 For the purposes of Article 6:

- 6.1.1 words and expressions shall have the same respective meanings as in the Regulations;
- 6.1.2 references herein to an uncertificated share or to a share (or to a holding of shares) being in uncertificated form are references to that share being an uncertificated unit of a security, and references to a certificated share or to a share being in certificated form are references to that share being a unit of a security which is not an uncertificated unit;
- 6.1.3 "cash memorandum account" means an account so designated by the Operator of the relevant system.

### 6.2 Notwithstanding anything in these Articles to the contrary, any shares in the Company may be issued, held, registered, converted to, transferred or otherwise dealt with in uncertificated form and converted from uncertificated form to certificated form in accordance with the Regulations and practices instituted by the Operator of the relevant system. Any provisions of these Articles shall not apply to any uncertificated shares to the extent that such provisions are inconsistent with:

- 6.2.1 the holding of shares in uncertificated form;
- 6.2.2 the transfer of title to shares by means of a relevant system; or
- 6.2.3 any provision of the Regulations.

### 6.3 Without prejudice to the generality and effectiveness of the foregoing:

- 6.3.1 Articles 5, 9.1, 9.2 and 9.8 shall not apply to uncertificated shares and Article 9.5 shall apply in relation to such shares as if the reference therein to the date on which the transfer was lodged with the Company were a reference to the date on which the appropriate instruction was received by

or on behalf of the Company in accordance with the facilities and requirements of the relevant system;

- 6.3.2 without prejudice to Article 9.3 in relation to uncertificated shares, the Board may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted or required by the Regulations and the relevant system;
- 6.3.3 references in these Articles to a requirement on any person to execute or deliver an instrument of transfer or certificate or other document which shall not be appropriate in the case of uncertificated shares shall, in the case of uncertificated shares, be treated as references to a requirement to comply with any relevant requirements of the relevant system and any relevant arrangements or regulations which the Board may make from time to time pursuant to Article 6.3.10;
- 6.3.4 for the purposes referred to in Article 10.3 a person entitled by transmission to a share in uncertificated form who elects to have some other person registered shall either:
  - 6.3.4.1 procure that instructions are given by means of the relevant system to effect transfer of such uncertificated share to that person; or
  - 6.3.4.2 change the uncertificated share to certificated form and execute an instrument of transfer of that certificated share to that person;
- 6.3.5 the Company shall enter on the Register the number of shares which are held by each member in uncertificated form and in certificated form and shall maintain the Register in each case as is required by the Regulations and the relevant system and, unless the Board otherwise determines, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings;
- 6.3.6 a class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these Articles or the Regulations which applies only in respect of certificated shares or uncertificated shares;
- 6.3.7 references in these Articles to instruments of transfer shall include, in relation to uncertificated shares, instructions and/or notifications made in accordance with the relevant system relating to the transfer of such shares;
- 6.3.8 for the purposes of Article 35.9 any payment in the case of uncertificated shares may be made by means of the relevant system (subject always to the facilities and requirements of the relevant system) and without prejudice to the generality of the foregoing such payment may be made by the sending by the Company or any person on its behalf of an instruction to the Operator of the relevant system to credit the cash memorandum account of the holder or joint holders of such shares or, if permitted by the Company, of such person as the holder or joint holders may direct in accordance with Article 35.9 and for the purposes of Article 35.9 the making of a payment in accordance with the facilities and requirements of the relevant system concerned shall be a good discharge to the Company;

- 6.3.9 subject to the Act and the provisions of these Articles, the Board may issue shares as certificated shares or as uncertificated shares in its absolute discretion and the provisions of these Articles shall be construed accordingly;
  - 6.3.10 the Board may make such arrangements or regulations (if any) as it may from time to time in its absolute discretion think fit in relation to the evidencing and transfer of uncertificated shares and otherwise for the purpose of implementing and/or supplementing the provisions of this Article 6, the Regulations and the facilities and requirements of the relevant system and such arrangements and regulations (as the case may be) shall have the same effect as if set out in this Article 6;
  - 6.3.11 the Board may utilise the relevant system to the fullest extent available from time to time in the exercise of the Company's powers or functions under the Act or these Articles or otherwise in effecting any actions; and
  - 6.3.12 the Board may resolve that a class of shares is to become a participating security and may at any time determine that a class of shares shall cease to be a participating security.
- 6.4 Where any class of shares in the capital of the Company is a participating security and the Company is entitled under any provisions of the Act or the rules made and practices instituted by the Operator of any relevant system or under these Articles to dispose of, forfeit, enforce a lien or sell or otherwise procure the sale of any shares which are held in uncertificated form, such entitlement (to the extent permitted by the Regulations and the rules made and practices instituted by the Operator of the relevant system) shall include the right to:
- 6.4.1 request or require the deletion of any computer-based entries in the relevant system relating to the holding of such shares in uncertificated form; and/or
  - 6.4.2 require any holder of any uncertificated shares which are the subject of any exercise by the Company of any such entitlement, by notice in writing to the holder concerned, to change his holding of such uncertificated shares into certificated form within such period as may be specified in the notice, prior to completion of any disposal, sale or transfer of such shares or direct the holder to take such steps, by instructions given by means of a relevant system or otherwise, as may be necessary to sell or transfer such shares; and/or
  - 6.4.3 appoint any person to take such other steps, by instruction given by means of a relevant system or otherwise, in the name of the holder of such shares as may be required to effect a transfer of such shares and such steps shall be as effective as if they had been taken by the registered holder of the uncertificated shares concerned; and/or
  - 6.4.4 transfer any uncertificated shares which are the subject of any exercise by the Company of any such entitlement by entering the name of the transferee in the Register in respect of that share as a transferred share; and/or
  - 6.4.5 otherwise rectify or change the Register in respect of that share in such manner as may be appropriate; and



- 6.4.6 take such other action as may be necessary to enable those shares to be registered in the name of the person to whom the shares have been sold or disposed of or as directed by him.

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

### Calls

- 7.1 The directors may, subject to the provisions of these Articles and to any conditions of allotment, from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and each member shall (subject to being given at least fourteen days notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares.
- 7.2 A call may be made payable by instalments or may be postponed or revoked wholly or in part, as the directors may determine. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 7.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
- 7.4 If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay all costs, charges and expenses the Company may have incurred by reason of such non-payment together with interest on the sum from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of 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 6 monthly basis) as the Board may agree, but the directors shall be at liberty to waive payment of such interest in whole or in part.
- 7.5 Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the nominal amount of the share or by way of premium or as an instalment of a call, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and, in case of non-payment, all the relevant provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 7.6 Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.
- 7.7 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 upon the shares held by him as a payment in advance of calls, and any such payment in advance of calls shall extinguish pro tanto, so far as the same shall extend but subject as in these Articles provided, the liability upon the shares in respect of which it is advanced and upon the moneys so received, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may (but shall not be obliged to) pay interest at such rate not exceeding the base rate from time to time of Barclays Bank plc as the member paying such sum and the Board agree.

- 7.8 Unless the Board otherwise determines, no member shall be entitled to receive any dividend or to be present and vote at a general meeting or at any separate general meeting of the holders of any class of shares either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of a share held by him unless and until he shall have paid all calls for the time being 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) to the Company.

#### Forfeiture

- 7.9 If a member fails to pay the whole of any call or instalment of a call on or before the day appointed for payment thereof, the Board may at any time thereafter, during such time as any part of such call or instalment remains unpaid, serve a notice on such member or any person entitled to his shares by transmission requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued. The notice shall name a further day (not earlier than fourteen days from the date of service thereof) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed the shares on which the call was made will be liable to be forfeited.
- 7.10 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before the payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the directors to that effect, and such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not actually paid before the forfeiture. The directors may accept a surrender of any shares liable to be forfeited hereunder. 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.
- 7.11 Every share which shall be forfeited shall there upon become the property of the Company and subject to the provisions of the Act and the provisions of these Articles, a share so forfeited or surrendered may be sold, reallocated or otherwise disposed of, either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Board thinks fit. At any time before a sale, reallocation or disposal, the forfeiture or surrender may be cancelled on such terms as the Board thinks fit. The Board may, if it thinks fit, authorise some person to execute an instrument of transfer of a forfeited or surrendered share to any other person as aforesaid 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.
- 7.12 A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares and shall surrender to the Company for cancellation the certificate for the shares forfeited, but shall notwithstanding such forfeiture or surrender remain liable to pay to the Company all

moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares, with interest thereon, unless and to the extent that the directors resolve to waive interest, at the rate at which interest was payable on those monies before the forfeiture or, if no interest was so payable, at such rate not exceeding 15 per cent. per annum (compounded on a 6 monthly basis) as the Board may determine from the date of forfeiture or surrender until payment, and the Board may enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal.

- 7.13 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.
- 7.14 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.

## **8. LIEN AND SURRENDER OF SHARES**

- 8.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether or not presently payable to the Company, called or payable at a fixed time in respect of such share to the extent and in the circumstances permitted by the Act. The Company's lien (if any) on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The directors may waive any lien which has arisen and resolve that any share shall for some specified period be wholly or in part exempt from the provisions of this Article.
- 8.2 The Company may sell, in such manner as the directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum or any other money in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been served on the holder for the time being of the shares or the person entitled by transmission to the shares.
- 8.3 The net proceeds of such sale, after payment of the costs thereof, shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale without interest. For giving effect to any such sale, the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser thereof. 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.
- 8.4 The Company shall be entitled to sell at the best price reasonably obtainable any share held by a member, or any share to which a person is entitled by transmission, if all of the following stipulations are complied with in relation thereto:

- 8.4.1 for a period of 12 years no cheque or warrant sent by the Company through the post in a prepaid letter addressed to the member or to the person entitled by transmission to the share, at his registered address or at the last known address given by the member or the person entitled by transmission as the address to which the cheques and warrants are to be sent, has been cashed and no communication has been received by the Company from the member or person concerned;
- 8.4.2 the Company has at the expiration of the said period of 12 years, by advertisement in both a national daily newspaper and in a newspaper circulating in the area in which the address referred to in Article 8.4.1 is located, and by notice in writing to the London Stock Exchange if shares of the class concerned are listed on that exchange or any secondary market of that exchange, giving notice of its intention to sell such share;
- 8.4.3 the Company has not during the further period of three months after the date of the advertisement and prior to the sale of the share received any communication from the member or person entitled by transmission; and
- 8.4.4 for the purpose of giving effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share, and such instrument shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, such share. The Company shall be liable to account without interest to the member or other person entitled to such share for the net proceeds of such sale and shall be deemed to be his debtor and not a trustee for him in respect of the same.
- 8.5 A statutory declaration in writing that the declarant is a director or the secretary of the Company and that a share has been duly forfeited or surrendered or sold whether to satisfy a lien of the Company or otherwise on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of an instrument of transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, allotment or disposal of the share.

## **9. TRANSFER OF SHARES**

- 9.1 Subject to such of the restrictions of these Articles as may be applicable, each member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the Board.
- 9.2 The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the Register in respect thereof.
- 9.3 The Board may in its absolute discretion and without giving any reason, refuse to register any transfer of a share (or renunciation or renounceable letter of allotment) unless:

- 9.3.1 the instrument of transfer is deposited at the Office or such other place as the directors may appoint, 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 directors may reasonably require to show the right of the transferor to make the transfer provided that in the case of a transfer by a recognised person of a share certificate will only be necessary if a certificate has been issued in respect of the share in question;
- 9.3.2 the instrument of transfer is duly stamped;
- 9.3.3 the instrument of transfer is in respect of only one class of share;
- 9.3.4 the instrument of transfer is in favour of not more than four transferees; and
- 9.3.5 the instrument of transfer is in respect of a share in respect of which all sums presently payable to the Company have been paid.
- 9.4 Transfers of shares will not be registered in circumstances referred to in Article 18.
- 9.5 If the directors refuse to register a transfer of any shares, they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.
- 9.6 Subject to the Act, the registration of transfers of shares or of any class of shares may be suspended at such time and for such periods as the directors may from time to time determine, provided always that the Register shall not be closed for more than thirty days in any year.
- 9.7 No fee will be charged by the Company in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register relating to or affecting the title to any shares.
- 9.8 All instruments of transfer which shall be registered may be retained by the Company, but any instrument of transfer which the directors refuse to register shall (except in any case of fraud) be returned to the person depositing the same.
- 9.9 Nothing in these Articles shall preclude the Board:
  - 9.9.1 from recognising a renunciation of the allotment of any share by the allottee in favour of some other person;
  - 9.9.2 if empowered by these Articles, to authorise any person to execute an instrument of transfer of a share, or from authorising any person to transfer the share in accordance with any procedures implemented under Article 9.
- 9.10 Nothing in these Articles shall require shares to be transferred by written instrument if the Act provides otherwise.
- 10. **TRANSMISSION OF SHARES**
- 10.1 In the case of the death of a member the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as

having any title to his interest in the shares shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

- 10.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence as to his title being produced as may from time to time be required by the directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof.
- 10.3 If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing a transfer of the share in favour of that person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by such member.
- 10.4 Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member shall (upon supplying to the Company such evidence as the directors may reasonably require as to his title to the share) be entitled to receive and may give a discharge for all benefits arising or accruing on or in respect of the share, but he shall not be entitled in respect of that share to receive notices of or to attend or vote at general meetings of the Company or at any separate meeting of the holders of any class of shares in the Company nor, save as aforesaid, to any of the rights or privileges of a member, until he shall have become a member in respect of the share provided always that the directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if within sixty days the notice is not complied with such person shall (but only in the case of a share which is fully paid up) be deemed to have elected to be registered as a member in respect thereof and may be registered accordingly.

## **11. STOCK**

- 11.1 The Company may reconvert any stock into paid up shares of any denomination.
- 11.2 The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations, as would have applied to the shares from which the stock arose if they had not been converted, or as near thereto as circumstances admit, but the directors may from time to time, if they think fit, fix the minimum amount of stock transferable, provided that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- 11.3 The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings and other matters, as if they held shares of the class from which the stock arose, but no such privilege or advantage (except participation in dividends and profits of the Company and all the assets on a winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.
- 11.4 All such of the provisions of these Articles as are applicable to paid up shares shall apply to stock.

## 12. **ALTERATION OF CAPITAL**

12.1 The Company may by ordinary resolution, in accordance with the Act:

12.1.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

12.1.2 redenominate all or any of its shares;

12.1.3 subdivide its shares, or any of them, into shares of smaller amount and so that the resolution whereby any share is subdivided may determine that, as regards each share so subdivided, one or more of the shares resulting from such subdivision may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others, as the Company has power to attach to shares.

12.2 Whenever as the result of any consolidation, division or sub-division of shares any difficulty arises, the Board may 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:

12.2.1 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 or such other sum as the Board may from time to time determine, may be retained for the benefit of the Company); or

12.2.2 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 37 without an ordinary resolution of the Company.

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

**13. GENERAL MEETINGS**

- 13.1 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year. Except as provided in the Act, the Company must hold an annual general meeting within six months from the day following the Company's accounting release date. Subject as aforesaid and to the provisions of the Act, the annual general meeting shall be held at such time and place as the directors may determine.
- 13.2 All shareholder meetings convened in accordance with these Articles (other than annual general meetings) shall be called "general meetings".
- 13.3 The Board may in accordance with the Act convene a general meeting whenever it thinks fit. A general meeting shall also be convened by the Board on the requisition of the members, or in default may be convened by such requisitionists, as provided by the Act. At any meeting convened on such requisition or by such 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.

**14. NOTICE OF GENERAL MEETINGS**

- 14.1 Subject to the provisions of the Act, an annual general meeting shall be called by twenty-one Clear Days' notice at least, and all other general meetings (not being annual general meetings) shall be called by fourteen Clear Days' notice at least.
- 14.2 Every notice shall be in writing and shall specify:
- 14.2.1 the place, the day and the time of meeting;
  - 14.2.2 the general nature of the business to be dealt with at the meeting;
  - 14.2.3 in the case of an annual general meeting shall specify the meeting as such; and
  - 14.2.4 with reasonable prominence a statement that a member entitled to attend, speak and vote is entitled to appoint one or more proxies to attend and vote instead of him at the meeting and that a proxy need not also be a member.
- 14.3 Notices shall be given in a manner hereinafter mentioned to all the members, other than those who under the provisions of these Articles or the conditions of issue of the shares held by them are not entitled to receive the notice, to the directors (including the alternate directors) and to the auditors for the time being and to any other person entitled to receive it.
- 14.4 It shall be the duty of the Company, subject to the provisions of the Act, on the requisition in writing of such number of members as is specified in the Act and (unless the Company otherwise resolves) at the expense of the requisitionists, (a) to give to members entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting and (b) to circulate to members entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.



- 14.5 The accidental omission to give notice of any meeting to, or to send a form of proxy, or the non-receipt of notice by, one or more persons entitled to receive notice shall not invalidate the proceedings at that meeting.
- 14.6 Subject to the provisions of the Act, and notwithstanding that it is convened by shorter notice than that specified in this Article 14, a general meeting shall be deemed to have been duly convened if it is so agreed:
- 14.6.1 in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
- 14.6.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right (excluding any shares in the Company held as Treasury Shares).
- 14.7 In this Article 14, references to notice "in writing" shall include notice by way of electronic communication.
- 14.8 Where, by any provision contained in the Act, special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight days (or such shorter period as the Act permits) before the meeting at which it is moved, and the Company shall give to the members notice of any such resolution as required by and in accordance with the provisions of the Act.
- 15. PROCEEDINGS AT GENERAL MEETINGS**
- 15.1 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as in these Articles otherwise provided and subject to Section 318(2) of the Act, two members present in person or by proxy or by a duly authorised corporate representative of a corporation which is a member and entitled to vote at the meeting shall be a quorum for all purposes.
- 15.2 If within five minutes from the time appointed for the meeting a quorum is not present or if during the meeting such a quorum ceases to be present, the meeting, if convened on the requisition of or by members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day, and at such time and place, as the directors may determine, and if at such adjourned meeting a quorum is not present within five minutes from the time appointed for holding the meeting, one person present and 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.
- 15.3 The chairman (if any) of the Board, or in his absence the deputy chairman shall preside as chairman at every general meeting of the Company, but if at any meeting neither such chairman nor such deputy chairman be present within five minutes after the time appointed for holding the meeting, or if none of them be willing to act as chairman, the directors present shall choose some director present to be chairman, or if no director be present, or if all the directors present decline to take the chair, the members present shall choose some member present to be chairman.
- 15.4 The chairman of any meeting at which a quorum is present may, with the consent of such meeting (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned

meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, seven Clear Days' notice at least, specifying the place, the day and the time of the adjourned meeting shall be given as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment. Notwithstanding the above and 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 or 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.

- 15.5 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 the proceedings on any substantive resolution shall not be invalidated by any error in such ruling.
- 15.6 In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than an 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.
- 15.7 A director and an alternate 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.
- 15.8 Any proxy appointed by a member shall also be entitled to speak at any general meeting of the Company.
- 15.9 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.

## 16. **METHOD OF VOTING**

- 16.1 Subject to the Act, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before, or upon the declaration of the result of the show of hands a poll is demanded:
  - 16.1.1 by the chairman of the meeting; or
  - 16.1.2 by not less than five members present in person or by proxy and entitled to vote at the meeting (excluding any voting rights attached to any shares in the Company held as Treasury Shares); or
  - 16.1.3 by a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the

right to vote at the meeting (excluding any voting rights attached to shares in the Company which are held as Treasury Shares); or

- 16.1.4 by a member or members present in person or by proxy holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company which are held as Treasury Shares).
- 16.2 Unless a poll be so demanded and not withdrawn, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 16.3 The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll pursuant and subject to Section 329 of the Act.
- 16.4 If any votes shall be counted which ought not to have been counted, or might have been rejected, or if any votes shall not be counted which ought to have been counted, or might have been allowed, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, or at any adjournment thereof, and not in that case unless it shall in the opinion of the chairman of the meeting be of sufficient magnitude to vitiate the result of the voting.
- 16.5 If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting may direct (including the use of ballot or voting papers or forms), and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 16.6 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman of the meeting shall direct not being more than thirty days from the date of the meeting or the adjourned meeting at which the poll was demanded. The chairman may appoint scrutineers who need not be members. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven days' notice shall be given specifying the time and place at which the poll is to be taken.
- 16.7 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to any other vote he may have.
- 16.8 The demand for a poll (other than on the election of a chairman or any question of adjournment) shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. 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.
- 16.9 A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have

invalidated the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the consent of the chairman, the meeting shall continue as if the demand had not been made.

## **17. VOTES OF MEMBERS**

17.1 Subject to the Act, to any special rights or restrictions as to voting attached to any shares by virtue of these Articles or to any suspension or abrogation of voting rights in accordance with these Articles:

17.1.1 on a show of hands every member who is present in person or by a duly authorised representative (in the case of a member which is a corporation) shall have one vote and every proxy present who has been duly appointed by a member entitled to vote on the resolution, has one vote; and

17.1.2 on a poll every member who is present in person or by proxy or by a duly authorised representative (in the case of a member which is a corporation) shall have one vote for every share of which he is the holder.

17.2 In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the share.

17.3 A member suffering from mental disorder in respect of whom an order has been made or a direction or authority given by a court of competent jurisdiction may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by such court and such receiver, curator bonis or other person may on a poll vote by proxy, provided that such evidence as the directors may require of the authority of the person claiming to vote shall have been deposited at the place at which proxies for the meeting in question are to be deposited under Article 17.11 below not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which such person claims to vote and in default the right to vote shall not be exercisable.

17.4 No member shall, unless the directors otherwise determine, be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company either personally or by proxy, or to exercise any privilege as a member, unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

17.5 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

17.6 On a poll, votes may be given either personally or by proxy. On a poll a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

17.7 Any person (whether a member or not) may be appointed to act as a proxy.

- 17.8 A member may appoint more than one proxy to attend on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such member. When two or more valid but different appointments of proxy are delivered or received in respect of the same share for use at the same meeting and in respect of the same matter, the one which is last validly delivered or received (regardless of its date or of the date of its execution or submission) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.
- 17.9 Deposit or delivery of an appointment of proxy shall not preclude a member from attending and voting in person at the meeting for which the proxy is appointed or any adjournment of it.
- 17.10 Subject to the Act, the instrument appointing a proxy shall:
- 17.10.1 be in writing and may with the consent of the Board be contained in an electronic form and shall be in the usual common form, or such other form as may be approved by the Board, and (a) if in hard copy form, shall be signed by the appointor or by his attorney duly authorised in writing, or if the appointor is a corporation shall be either under its common seal (or such form of execution as has the same effect) or under the hand of a duly authorised officer or attorney of the corporation or (b) in the case of an appointment contained in electronic form, submitted by or on behalf of the appointor, subject to such terms and subject to Section 1146 of the Act and authenticated in such manner as the Board may in its absolute discretion determine. The directors may, but shall not be bound to, require evidence of authority of such officer or attorney. An instrument of proxy need not be witnessed;
  - 17.10.2 be deemed to include the right of the proxy to attend, speak and vote at the meeting of the Company;
  - 17.10.3 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;
  - 17.10.4 unless the contrary is stated therein, be valid as well for any adjournment of the meeting for the meeting it relates; and
  - 17.10.5 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.
- 17.11 The appointment of 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:
- 17.11.1 in the case of an instrument in writing in hard copy form (including, whether or not the appointment of proxy is contained in electronic form, any such power of attorney or other authority) be deposited at the Office or at such other place or places within the United Kingdom as is specified in the notice convening the meeting or in any notice of any adjourned meeting or in any appointment of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time of the holding of the meeting or

adjourned meeting at which the person named in the appointment proposes to vote; or

17.11.2 in the case of an appointment contained in electronic form (where the Company has agreed to accept communication from a member by electronic means), where an address has been specified for the purpose of receiving communications by electronic means:

17.11.2.1 in the notice covering the meeting; or

17.11.2.2 in any instrument of proxy sent out by the Company in relation to the meeting; or

17.11.2.3 in any invitation to appoint a proxy issued by the Company in relation to the meeting,

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

17.11.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

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

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

17.12 When calculating the periods in Article 17.11, the Board can decide to take account of any part of a day which is not a working day.

17.13 No appointment of proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution or the date of its submission, 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.

17.14 A vote given in accordance with the terms of an instrument of proxy or by the duly authorised representative of a corporate member or poll demanded by proxy or by the duly authorised representative of a corporate member shall be valid notwithstanding (in the case of a proxy) the previous death or mental disorder of the principal or the revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed or (in the case of a duly authorised representative of a corporate member) the revocation of his appointment, unless notice in writing of such death, mental disorder or revocation shall have been received:

17.14.1 (in the case of a corporate representative) in hard copy form by the Company at the Office at least three hours before (a) the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (b) in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting, the time appointed for taking the poll; or

- 17.14.2 (in the case of an instrument of proxy) in such form and in such manner as is set out in Article 17.11 and the provisions of Article 17.11 shall apply mutatis mutandis to a notice of revocation of a proxy appointment under this Article 17.14.2.
- 17.15 The directors may at the expense of the Company make available to members, in hard copy form or electronic form, instruments of proxy (with or without provision for their return prepaid) for use at any general meeting or at any meeting of any class of members of the Company either in blank or nominating in the alternative any one or more of the directors or the chairman of the meeting or any other person or persons. If for the purpose of any meeting invitations to appoint as proxy a person, or one of a number of persons, specified in the invitations are issued at the Company's expense they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy.
- 18. FAILURE TO DISCLOSE INTEREST IN SHARES**
- 18.1 The following provisions of Article 18 shall be without prejudice to the provisions of Section 794 of the Act, and in particular, the Company shall be entitled to apply to the court under Section 794 of the Act whether or not these provisions apply or have been applied.
- 18.2 If a member or any person appearing to be interested in any shares held by a member has been duly served with a notice pursuant to Section 793 of the Act and is in default for the relevant period (as defined in Article 18.8) from such service in supplying to the Company the information thereby required, the remaining provisions of this Article 18 shall apply. The restrictions imposed by this Article 18 in relation to any shares shall continue until a relevant event occurs in relation to those shares and shall lapse when it does so. For this purpose, a "relevant event" is either of the following:
- 18.2.1 the default is remedied; or
- 18.2.2 the shares are registered in the name of the purchaser or offeror (or that of his nominee) pursuant to an arm's length transfer (as defined in Article 18.6 below).
- Any dividends withheld pursuant to Article 18.4.2 below shall be paid to the member as soon as practicable after the restrictions contained in Article 18.4 below lapse.
- 18.3 If the member has a holding of less than 0.25 per cent. of any class of shares (excluding any shares in the Company held as Treasury Shares), then, subject to Article 18.5 below and unless the directors otherwise determine, the member shall not be entitled in respect of the shares held by him (whether or not referred to in the notice given pursuant to Section 793 of the Act) to vote at a general meeting either personally or by proxy, or to exercise any other right conferred by membership in relation to meetings of the Company.
- 18.4 If the member has a holding of at least 0.25 per cent. of any class of shares (excluding any shares in the Company held as Treasury Shares), then, subject to Article 18.5 below and unless the directors otherwise determine, the member shall not be entitled in respect of the shares held by him (whether or not referred to in the notice given pursuant to Section 793 of the Act):

- 18.4.1 to vote at a general meeting either personally or by proxy, or to exercise any other right conferred by membership in relation to meetings of the Company; or
  - 18.4.2 to receive any dividend payable in respect of such shares; or
  - 18.4.3 to transfer or agree to transfer any of such shares, or any rights therein.
- 18.5 The restrictions in Articles 18.3 and 18.4 shall be without prejudice to the right of either the member holding the shares concerned or, if different, the beneficial owner of those shares to effect or agree to sell under an arm's length transfer of those shares.
- 18.6 For the purposes of this Articles 18 an "arm's length" transfer in relation to any shares is a transfer pursuant to:
- 18.6.1 a sale of those shares on a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) and the AIM Market of the London Stock Exchange plc or on any stock exchange outside the United Kingdom on which the shares are normally traded; or
  - 18.6.2 a takeover offer for the Company (as defined in Section 974 of the Act) which relates to those shares.
- 18.7 For the purposes of Articles 18.1 to 18.7, the Company shall be entitled to treat any person as appearing to be interested in any shares if:
- 18.7.1 the member holding such shares or any person who is or may be interested in such shares either fails to respond to a notice given pursuant to Section 793 of the Act or has given to the Company a notification pursuant to a notice given pursuant to Section 793 of the Act which in the opinion of the directors fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant notification pursuant to a notice given pursuant to Section 793 of the Act) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares; or
  - 18.7.2 that person (not being the member) is interested in those shares for the purposes of Section 793 of the Act.
- 18.8 For the purposes of this Article 18, the "relevant period" shall be, in a case falling within Article 18.3, 28 days and, in a case falling within Article 18.4, 14 days.
- 19. CORPORATIONS ACTING BY REPRESENTATIVES**
- 19.1 Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company, and:
- 19.1.1 where the corporation authorises only one person, such person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company; and
  - 19.1.2 where the corporation authorises more than one person any one of them is entitled to exercise the same powers on behalf of the corporation as the



corporation would exercise if it were an individual member of the Company subject always to the provisions of Section 323 of the 2006 Act;

and such corporation shall, for the purpose of these Articles, be deemed to be present in person at such meeting if a person or persons so authorised is present thereat. A director, the Secretary or some person or persons 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.

## **20. APPOINTMENT AND REMOVAL OF DIRECTORS**

- 20.1 Subject as hereinafter provided, the number of directors shall be not be subject to any maximum and shall not be less than two but the Company may by ordinary resolution from time to time vary (subject to the Act) the minimum number and may also fix and from time to time vary a maximum number of directors.
- 20.2 The directors shall have power at any time, and from time to time, to appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, but so that the total number of directors shall not at any time exceed the maximum number (if any) fixed by or in accordance with these Articles. Subject to the provisions of the Act and of these Articles, any director so appointed shall hold office only until the conclusion of the next following annual general meeting, and shall be eligible for reappointment at that meeting. Any director who retires under this Article shall not be taken into account in determining the directors who are to retire by rotation at such meeting and if not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.
- 20.3 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 (if any) fixed in accordance with these Articles.
- 20.4 The directors may from time to time appoint any one or more of their body to be holder of any executive office for such period and on such terms and with or without such title or titles (including but not limited to chairman, deputy chairman, vice chairman, managing director, chief executive and joint, deputy or assistant managing director or chief executive) as they think fit. A director holding any such office (whether appointed as aforesaid or otherwise) shall, whilst holding such office, be subject to retirement by rotation, shall be taken into account in determining the retirement by rotation of directors, and shall (subject to the terms of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other directors of the Company and if he shall vacate the office of director or (subject as aforesaid) if the directors resolve that his term of office as holder of such executive office as aforesaid be determined, his appointment as such shall ipso facto determine.
- 20.5 A director appointed to any such office shall receive such remuneration (whether by way of salary, commission, participation in profits, provision for retirement or insurance benefit, or partly in one way and partly in another, or otherwise) as may be determined by a committee of the directors appointed for such purpose.
- 20.6 The directors may entrust to and confer upon any director appointed to any such office any of the powers exercisable by them as directors, other than the power to make calls or forfeit shares, upon such terms and conditions and with such restrictions as they

think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

- 20.7 Any contract of employment entered into by a director with the Company shall not include a term that it is to continue, or may be continued, otherwise than at the instance of the Company, for a period of more than 2 years during which the employment either cannot be terminated by the Company by notice or can be so terminated only in specified circumstances unless such term is first approved by an ordinary resolution of the Company.
- 20.8 Subject to the provisions of the Act, the directors may from time to time, and at any time, pursuant to this Article appoint any other persons to any post with such descriptive title including that of director (whether as executive, group, divisional, departmental, deputy, assistant, local, advisory director or otherwise) as the directors may determine and may define, limit vary and restrict the powers, authorities and discretions of persons so appointed and may fix and determine their remuneration and duties and, subject to any contract between him and the Company, may remove from such post any person so appointed. A person so appointed shall not be a director of the Company for any of the purposes of these Articles or of the Act and accordingly shall not be a member of the board of directors or of any committee thereof, nor shall he be entitled to be present at any meeting of the board of directors or of any such committee, except at the request of the board of directors or of such committee, and if present at such request he shall not be entitled to vote thereat.
- 20.9 A director shall not be required to hold any shares of the Company but shall be entitled to receive notice of and attend and speak at any general meeting of the Company and any separate meeting of holders of any class of shares, warrants or other securities.
- 20.10 Without prejudice to the provisions of the Act, the Company may by ordinary resolution remove a director (including a director holding executive office) before the expiration of his period of office (but such removal shall be without prejudice to any claim such director may have for breach of any contract of service between him and the Company).

## **21. ALTERNATE DIRECTORS**

- 21.1 Each director (other than an alternate director) may at any time appoint another director or (subject to the approval of a majority of the directors for the time being) any other person to be an alternate director of the Company, and may at any time remove any alternate director so appointed by him from office and, subject to any requisite approval as aforesaid, appoint another person in his place.
- 21.2 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.
- 21.3 An alternate director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled to receive notices of all meetings of the directors and of all meetings of committees of the directors of which his appointor is a member and to attend and vote as a director at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in the absence of such appointor.
- 21.4 An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director provided that if any director retires, whether by

rotation or otherwise, but is reappointed or is deemed to have been reappointed by the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his reappointment as if he had not so retired.

- 21.5 All appointments and removals of alternate directors shall be effected by instrument in writing signed by the appointor director and authenticated in such manner as the other directors may accept. The appointor director shall deposit the original signed instrument at the Office as soon as reasonably practicable, but failure or delay in doing so shall not prejudice the validity of the appointment.
- 21.6 Save as otherwise provided in these Articles, an alternate director shall be deemed for all purposes to be a director of the Company and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the director appointing him. 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, the Company shall pay to an alternate director such expenses as might properly have been paid to him if he had been a director.

## **22. RETIREMENT OF DIRECTORS**

- 22.1 The office of a director shall be vacated in any of the following events, namely:
- 22.1.1 if (but in the case of a director holding any executive office subject to the terms of any contract between him and the Company) he resigns his office by instrument in writing signed by the resigning director and authenticated in such manner as the other directors or director may accept (provided that the resigning director shall deposit the original signed instrument at the Office as soon as reasonably practicable but failure or delay in his doing so shall not prejudice the validity of the resignation);
  - 22.1.2 if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - 22.1.3 if, in the opinion of the majority of directors other than the director vacating office and in the written opinion of a suitably qualified medical expert, he becomes of unsound mind;
  - 22.1.4 if he is absent from meetings of the directors for six successive months without leave, and his alternate director (if any) shall not during such period have attended in his stead, and the directors resolve that his office be vacated;
  - 22.1.5 he is requested to resign by notice in writing addressed to him at his address as shown in the register of directors and signed by not less than three-quarters of the other directors (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company) and, for this purpose, a set of like notices each signed by one or more of the directors shall be as effective as a single notice signed by the requisite number of directors; or

- 22.1.6 if he ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director.
- 22.2 A resolution of the Board declaring a director to have vacated office under the terms of Article 23 shall not be concluded as to the fact and grounds of vacation stated in the resolution.
23. **ROTATION OF DIRECTORS**
- 23.1 Subject to the provisions of these Articles, at the annual general meeting in every year one-third of the directors who are subject to retirement by rotation, or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office provided always that if in any year the number of directors who are subject to retirement by rotation shall be two, one of such directors shall retire, and if in any year there shall be only one director who is subject to retirement by rotation, that director shall retire.
- 23.2 Subject to the provisions of the Act and of these Articles, the directors to retire in every year shall include (so far as necessary to obtain the number required) any director who wishes to retire and not to offer himself for re-election. Any further directors so to retire shall be those who have been longest in office since their last appointment or reappointment but as between persons who became or were last re appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Subject as aforesaid, a retiring director shall be eligible for reappointment. 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.
- 23.3 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.
- 23.4 The Company at the meeting at which a director retires in manner aforesaid may fill up the vacated office by appointing a person thereto, and in default the retiring director, if willing to act, shall be deemed to have been reappointed, unless at such meeting it is expressly resolved not to fill the vacancy, or a resolution for the re appointment of such director shall have been put to the meeting and lost.
- 23.5 No person other than a director retiring at the meeting shall, unless recommended by the directors for appointment, be eligible for appointment to the office of director at any general meeting unless, not less than seven nor more than forty-eight days before the day appointed for the meeting, there shall have been given to the Company notice in writing by some member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of directors, and also notice in writing signed by the person to be proposed of his willingness to be appointed.
- 23.6 At a general meeting a motion for the appointment of two or more persons as directors by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and for the

purposes of this Article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.

**24. APPROVAL OF THE BOARD TO CONFLICTS OF INTERESTS OF DIRECTORS**

24.1 The Board may, subject to the quorum and voting requirements set out in this Article 24, authorise any matter which relates to a situation in which a director (the "relevant director") has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company and which would, if not so authorised, result in a breach of duty by the relevant director under Section 175 of the Act (a "Conflict").

24.2 The relevant director seeking authorisation in respect of a Conflict must declare to the Board the nature and extent of his interest in that Conflict as soon as is reasonably practicable. The relevant director must provide the Board with such details as are necessary for the Board to decide whether or not to authorise the Conflict. The relevant director must also provide such additional information as may be requested by the Board.

24.3 Any director (including the relevant director) may propose that a Conflict be authorised by the Board. Such proposal and any authorisation given by the Board shall be effected in the same way that any other matter may be proposed to and resolved upon by the Board in accordance with the provisions of these Articles save that:

24.3.1 the relevant director and any other director with an interest in the Conflict (together the "Interested directors") shall not count towards the quorum nor vote on any resolution giving such authorisation; and

24.3.2 the Interested directors may, if the other members of the Board so decide, be excluded from any board meeting while the Conflict is under consideration.

24.4 Where the Board authorises a Conflict:

24.4.1 the Board may (whether at the time of giving the authorisation or subsequently):

24.4.1.1 require that an Interested director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at meetings of the Board or otherwise) related to the Conflict; and

24.4.1.2 impose upon an Interested director such other terms for the purpose of dealing with the Conflict as it may determine.

24.4.2 the Interested director will be obliged to conduct himself in accordance with any terms imposed by the Board in relation to the Conflict;

24.4.3 the Board may provide that where the Interested director obtains or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs;

- 24.4.4 the terms of the authorisation must be recorded in writing (but the authority will be effective whether or not the terms are so recorded); and
  - 24.4.5 the Board may revoke or vary such authorisation any time but this will not affect anything done by the Interested director prior to such revocation or variation in accordance with the terms of such authorisation.
- 24.5 For the avoidance of doubt, a director may, subject to declaring the nature and extent of his interest to the Board in accordance with Sections 184 or 185 of the Act, be or become a director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a Conflict as a director of that other company.
- 25. DIRECTORS' INTERESTS**
- 25.1 Subject to Article 25.3, if a director is in any way directly or indirectly interested in a proposed contract, arrangement, transaction or proposal with the Company or a contract that has been entered into by the Company he must declare the nature and extent of that interest to the directors in accordance with Section 177 and 182 of the Act.
- 25.2 Subject to having declared his interest pursuant to Article 25.1 and subject to the provisions of the Statutes, a director notwithstanding his office:
- 25.2.1 may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise directly or indirectly interested;
  - 25.2.2 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;
  - 25.2.3 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any 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
  - 25.2.4 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.
- 25.3 A director need not declare an interest under Article 25:
- 25.3.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interest;

- 25.3.2 of which the director is not aware, or where the director is not aware of the contract in question, and for this purpose a director is treated as being aware of matters of which he ought to be aware;
  - 25.3.3 if, or to the 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
  - 25.3.4 if, or to the extent that, it concerns terms of a service contract that have been or are to be considered by a Board meeting or a committee of the directors appointed for this purpose under the Articles.
- 25.4 Save as provided in this Article, 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 other 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 the resolution concerns any of the following matters:
- 25.4.1 the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
  - 25.4.2 the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part by the giving of security or under a guarantee or indemnity;
  - 25.4.3 any proposal concerning an offer for subscription or purchase of shares or debentures or other securities or rights of or by the Company or any of its subsidiaries or of any other company which the Company may promote or in which it may be interested in which offer he is or is to be interested as a participant in the underwriting or subunderwriting thereof or as a placee or subscriber thereof;
  - 25.4.4 any proposal concerning any other company in which he is interested directly or indirectly and whether in any one or more of the capacities of officer, creditor, employee or holder of shares, debentures, securities or rights of that other company, but where he is not the holder (otherwise than as a nominee for the Company or any of its subsidiaries) of or beneficially interested in one per cent. or more of the issued shares of any class of such company or of any third company through which his interest is derived or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
  - 25.4.5 any proposal concerning the adoption, modification or operation of a superannuation fund, retirement benefits scheme, share option scheme or share incentive scheme under which he may benefit; or
  - 25.4.6 any proposal concerning the purchase and/or maintenance of any insurance policy under which he may benefit.

- 25.5 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.
- 25.6 If any question shall arise at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall (subject to the Act) be referred to the chairman of the meeting (or, where such question shall arise concerning such chairman, to such other director present at the meeting as the directors present, other than, such chairman, shall by majority vote appoint) and his ruling in relation to any other director shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed.
- 25.7 For the purposes of this Article, the interest of any person who is connected with a director (within the meaning of Section 252(2) of the Act (connected persons)) shall be taken to be the interest of that director. In relation to an alternate director, an interest of his appointer shall be treated as an interest of the alternate director in addition to any interest which the alternate director otherwise has.
- 25.8 The directors may exercise the power conferred upon them by Section 247 of the Act in accordance with the terms of that section and any board resolution to approve the exercise of the power under Section 247 of the Act shall be limited to a maximum payment to any individual (who is not a director, former director or shadow director) of 50 per cent. of the employee's gross annual salary.

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

- 26.1 The directors (other than alternate directors) shall be entitled to receive by way of fees for their services such sums as the Board may from time to time determine not exceeding in aggregate £500,000 per annum or such higher sum as may from time to time be determined by an ordinary resolution of the Company. Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided in such proportions and such manner as the Board may determine or in default of such determination shall be divided between the directors equally (except that in such event any director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he holds office). Any fees payable pursuant to this Article shall be distinct from any salary, remuneration or other amounts payable to a director pursuant to any other provisions of these Articles and shall accrue from day to day. The directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or in attending and returning from meetings of the directors or of committees of the directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.



- 26.2 Any director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, lump sum, percentage of profits or otherwise as the directors may determine.
- 26.3 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.
- 26.4 The directors may establish, maintain, participate in or contribute to or procure the establishment and maintenance of, participation in or contribution to any pension, annuities, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of the Company, or any of its predecessors in business, or of any company which is a subsidiary of the Company or is allied to or associated with the Company, or with any such subsidiary, or who may be or have been directors or officers of the Company, or of any such other company as aforesaid, spouses and surviving spouses, families and dependants of any such persons, and also establish, subsidise and subscribe to any institutions, associations, societies, clubs, trusts or firms calculated to be for the benefit of or to advance the interests and wellbeing of the Company or of any such other company as aforesaid, or of any such persons as aforesaid, and make payments for or towards the insurance of any such persons as aforesaid, and (subject to the provisions of the Act) establish and contribute to any scheme for the acquisition of shares in the Company or its holding company (whether or not an employees' share scheme within the meaning of the Act) and (subject as aforesaid) lend money to the Company's employees to enable them to acquire such shares, and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and do any of the matters aforesaid either alone or in conjunction with others. Subject always, if the Act shall so require, to particulars with respect to the proposed payment being disclosed to the members of the Company and to the proposal being approved by the Company by ordinary resolution, any director shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance, benefit or emolument.

## **27. GENERAL POWERS OF DIRECTORS**

- 27.1 The business of the Company shall be managed by the directors, who may exercise all such powers of the Company as are not by the Act or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to any regulations of these Articles, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company by special resolution, but no regulation made by the Company by special resolution shall invalidate any prior act of the directors which would have been valid if such regulation had not been made. The general powers given to the directors by this Article shall not be limited or restricted by any special authority or power given to the directors by any other Article.
- 27.2 The directors may from time to time, and at any time, by power of attorney, appoint any corporation, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the directors, to be the attorney of the Company for such

purposes, with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles), for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the directors may think fit, and may also authorise any such attorney to subdelegate all or any of the powers, authorities and discretions vested in him.

- 27.3 The Company, or the directors on behalf of the Company, may cause to be kept in any part of Her Majesty's Dominions outside the United Kingdom, the Channel Islands or the Isle of Man (and, if the Act shall so permit, in any other country, territory or area) in which the Company transacts business a branch register or registers of members resident therein, and the directors may (subject to the provisions of the Act) make and vary such regulations as they may think fit respecting the keeping of any such register.
- 27.4 If any uncalled capital of the Company is included in or charged by any mortgage or other security, the directors may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys, and the power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of directors, and shall be assignable if expressed so to be.
- 27.5 All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine.

## 28. **BORROWING POWERS**

- 28.1 Subject as hereinafter provided the directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled capital, and (subject to the Act) to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 28.2 The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (as regards subsidiary companies so far as by such exercise they can secure) that the aggregate of the amounts borrowed by the Company and all (if any) its subsidiaries (in this Article called "the Group") and remaining outstanding at any time (excluding intra Group borrowings) shall not without the previous sanction of an ordinary resolution of the Company exceed an amount equal to the greater of either:
- 28.2.1 four times the aggregate of:
- 28.2.1.1 the nominal amount of the share capital of the Company issued and paid up, as shown in the audited balance sheet of the Company last laid before the Company in general meeting; and
- 28.2.1.2 the amounts shown as standing to the credit of capital and revenue reserves, including share premium account, capital redemption merger reserve , other reserves and profit and

loss account (but deducting therefrom the amount, if any, standing to the debit of profit and loss account) in either a consolidation of the audited balance sheets of all the companies in the Group last laid before the members thereof respectively in general meeting or (at the directors' discretion) in the audited consolidated balance sheet of the Group last laid before the Company in general meeting, but adjusted in respect of any variations in the issued and paid up share capital, share premium account or capital redemption , merger reserve or other reserves effected or any distributions made (otherwise than within the Group) since the date of such balance sheets except in so far as provided for therein; and

28.2.1.3 excluding therefrom any amounts set aside for taxation and, to the extent included, any amounts attributable to outside shareholdings in subsidiaries; and

28.2.1.4 excluding all amounts attributable to intangible items save assets or goodwill arising on consolidation as shown as an asset in the Group balance sheet (except for any amount acquired as part of a commercial business combination), notwithstanding the fact that these may previously have been written off against reserves; or

28.2.2 the sum of £10,000,000;

provided always that no such sanction shall be required to the borrowing of any moneys intended to be applied and actually applied within six months in the repayment (with or without premium) of any moneys previously borrowed and then outstanding, notwithstanding that the same may result in the said limit being exceeded during such period. For the purpose of this Article:

28.2.2.1 share capital allotted shall be treated as issued and any share capital already called up or payable at any future date within the following twelve months shall be treated as already paid up and if the Company proposes to issue any shares for cash and the issue of such shares has been underwritten then such shares shall be deemed to have been issued and the subscription moneys (including any premium) payable in respect thereof within the following twelve months shall be deemed to have been paid up;

28.2.2.2 any company which it is proposed shall become a subsidiary contemporaneously with any relevant transaction shall be treated as if it had already become a subsidiary;

28.2.2.3 the following shall (unless otherwise taken into account) be deemed to be included in moneys borrowed (a) debentures issued in whole or in part for a consideration other than cash, (b) amounts outstanding under acceptance credits (other than in respect of the purchase of goods in the ordinary course of trading), (c) the nominal amount of any share capital issued and the principal amount of any moneys borrowed the redemption or repayment, whereof is

guaranteed by the Company or by any subsidiary except in so far as such share capital is for the time being held by or such moneys are for the time being owing to, and the beneficial interest therein is vested in, the Company or any subsidiary; and

28.2.2.4 any fixed premium payable on final redemption or repayment of any debentures or other borrowed moneys or share capital shall be taken into account as an addition to the principal or nominal amount thereof.

28.3 No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provision be concerned to see or inquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or the security given express notice that the said limit had been or would thereby be exceeded.

## **29. PROCEEDINGS OF DIRECTORS**

29.1 Subject to the provisions of these Articles, the directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting of the directors shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of the director he is representing in addition to his own vote.

29.2 A director may, and the Secretary on the requisition of a director shall, at any time summon a meeting of the directors. 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 or in electronic form to any 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 or any address for the receipt of communications by electronic means notified by him to the Company for this purpose, but such notices need not be given any earlier than notices given to directors not so absent.

29.3 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 any other form of communications equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting, or by a series of telephone calls from the chairman of the meeting or by exchange of facsimile transmissions or emails addressed to the chairman of the meeting. A person so participating by being present or being in telephone communication with or by exchanging facsimile transmissions or emails with those in the meeting or with the chairman of the meeting 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. A resolution passed at any meeting held in the above manner, and

signed by the chairman of the meeting, shall be as valid and effectual as if it had been passed at a meeting of the Board (or committee, as the case may be) duly convened and held.

- 29.4 A director who is unable to attend any meeting of the directors and has not appointed an alternate director may authorise any other director to vote for him at the meeting, and in that event the director so authorised shall have a vote for each director by whom he is so authorised in addition to his own vote. Any such authority must be by instrument signed by the authorising director and authenticated in such manner as the other directors may accept. The authorising director, shall deposit the original signed instrument at the Office as soon as reasonably practicable but failure or delay in his doing so shall not prejudice the validity of the authorisation.
- 29.5 The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed at any other number shall be two. For the purposes of this Article a person who holds office only as an alternate director shall, if his appointor is not present, be counted in a quorum, but so that not less than two individuals shall constitute the quorum. Any director or alternate director who attends a meeting of directors by telephone or other conference facility shall be deemed to be personally present at such meeting for all purposes of these Articles and shall be counted in the quorum accordingly. A meeting of the directors for the time being at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the directors.
- 29.6 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their body, but if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with these Articles, or below the number fixed by or pursuant to these Articles as the quorum of directors, the continuing directors or director may act for the purpose of filling up vacancies in their body or of summoning general meetings of the Company, but not for any other purpose. If there be no directors or director able or willing to act, then any two members may summon a general meeting for the purpose of appointing directors.
- 29.7 The directors may, from their number, from time to time elect and remove a chairman and, if thought fit, one or more deputy chairmen or vice-chairmen and determine the period for which they are to hold office. The chairman, or in his absence the deputy chairman (to be chosen, if there be more than one, by agreement amongst themselves or, failing agreement, by lot), or in the absence of any deputy chairman the vice chairman (to be chosen, if there be more than one, as aforesaid), shall preside at all meetings of the directors, but if no such chairman, deputy chairman or vice chairman be elected, or if at any meeting neither the chairman nor any deputy chairman or vice chairman be willing to preside or none of the aforesaid be present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.
- 29.8 A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of directors or of a committee of directors, shall be as effective as a resolution passed at a meeting of the directors or (as the case may be) a committee of directors duly convened and held, and may consist of several documents in the like form each signed by one or more of the directors and so that any such resolution or document signed by an alternate director shall be deemed to have been signed by the director who appointed such alternate director and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

29.9 The directors may delegate any of their powers to committees consisting of at least one member of their body as they think fit, provided that at least one half of the members of any such committee shall be directors of the Company and no resolution of a committee shall be effective unless at least half of those present when it is passed are directors or alternate directors. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors. The meetings and proceedings of any such committee consisting of two or more directors shall be governed by the provisions of these Articles regulating the meetings and proceedings of the directors, so far as the same are applicable and are not superseded by any regulations imposed by the directors under this Article. 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.

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

### 30. **MINUTES AND BOOKS**

30.1 The directors shall cause minutes to be made:

30.1.1 of all appointments of officers made by the directors;

30.1.2 of the names of the directors present at each meeting of directors and of any committee of directors; and

30.1.3 of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the directors and of committees of directors.

30.2 Any such minutes if purporting to be signed by the chairman of the meeting at which the proceedings took place, or by the chairman of the next following meeting, shall be evidence of the proceedings.

30.3 Subject as required by law any register, index, minute book or accounting records required by these Articles or by law to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the directors shall take adequate precautions for guarding against, and for facilitating the discovery of, falsification.

### 31. **SECRETARY**

31.1 Subject to the Act the Secretary of the Company shall be appointed by the directors on such terms and for such period as they may think fit and the directors may also appoint one or more assistant or deputy secretaries. Any secretary or assistant or deputy

secretary so appointed may at any time be removed from office by the directors without prejudice to any claim for damages for breach of any contract of service between him and the Company.

- 31.2 Anything by the Act required or authorised to be done by or to the Secretary of the Company may, if the office is vacant or such Secretary is absent or there is for any other reason no such Secretary capable of acting, be done by or to any assistant or deputy secretary or, if there is no assistant or deputy Secretary, or if such assistant or deputy Secretary is absent or for any other reason not capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the directors provided that any provision of the Act 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.

## **32. DESTRUCTION OF DOCUMENTS**

- 32.1 The Company may destroy:

- 32.1.1 any instrument of transfer, after six years from the date on which it is registered;
- 32.1.2 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;
- 32.1.3 any share certificate, after one year from the date on which it is cancelled; and
- 32.1.4 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 at a date earlier than that authorised by this Article if a copy of such document is retained on microfilm or by other similar means which such copy is retained until the expiration of the period applicable to the destruction of the original of such document.

- 32.2 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, 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:

- 32.2.1 this Article 32 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;
- 32.2.2 nothing in this Article 32 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 32 which would not attach to the Company in the absence of this Article 32; and

32.2.3 references in this Article 32 to the destruction of any document include references to the disposal of it in any manner.

### **33. THE SEAL**

33.1 The directors shall provide for the safe custody of the Seal which shall not be used except by the authority of a resolution of the directors or of a committee of the directors authorised in that behalf by the directors. The directors may from time to time make such regulations as they see fit (subject to the provisions of these Articles in relation to share certificates and debenture certificates) determining the persons and the number of such persons who shall sign every instrument to which the Seal is affixed, and until otherwise so determined (and subject as aforesaid) every such instrument to which the Seal shall be reaffixed shall be signed by one director and shall be countersigned by the Secretary or by a second director.

33.2 The Company may have an official seal for use abroad under the provisions of the Act where and as the directors shall determine, and the Company may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as shall be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

33.3 Where the Act so permits, any instrument signed by one director and the secretary or by a director in the presence of a witness who attests his signature and expressed (in whatever form of words) to be executed by the Company, shall have the same effect as executed under seal.

### **34. AUTHENTICATION OF DOCUMENTS**

Any director or the Secretary or any person appointed by the directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the directors or any committee of the directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or a copy of or an extract from the minutes of a meeting of the Company or of the directors or any committee of the directors, which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such copy or extract is a true and accurate record of proceedings at a duly constituted meeting.

### **35. DIVIDENDS**

35.1 The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly.

35.2 No dividends shall be payable otherwise than in accordance with the Act and out of the profits of the Company available for that purpose and no dividend shall exceed the amount recommended by the directors.

35.3 Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid-up



on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, except that if any share is issued on terms providing that it shall carry any particular rights as to dividend, such share shall rank for dividend accordingly.

- 35.4 The directors may if they think fit from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company and are permitted by the Act. If at any time the share capital of the Company is divided into different classes, the directors may (subject to the provisions of the Act) pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non preferred rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend but no interim dividend shall be paid on shares carrying deferred or non preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay half yearly, or at other suitable intervals to be settled by them, any dividend which may be payable at a fixed rate if they are of opinion that the profits justify the payment and if and to the extent that such payment is permitted by the Act. Provided the directors act bona fide they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights.
- 35.5 Subject to the provisions of the Act or as otherwise required by law, where any asset, business or property is bought by the Company as from a past date, whether such date be before or after the incorporation of the Company, the profits and losses thereof as from such date may at the discretion of the directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the directors be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof.
- 35.6 The directors may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company. The Company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed but, subject to the provisions of these Articles, shall recommence sending cheques or warrants in respect of dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.
- 35.7 The directors may retain the dividends payable upon shares in respect of which any person is, under the provisions as to the transmission of shares hereinbefore contained, entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
- 35.8 All unclaimed dividends may be invested or otherwise made use of by the directors for the benefit of the Company until claimed and the payment of any such dividend into a separate account or the investment of such dividend shall not constitute the Company a trustee in respect thereof. No dividend or other moneys payable in respect of a share

shall bear interest as against the Company unless otherwise provided by the rights attached to the share. Any dividend which has remained unclaimed for a period of twelve years from the date of declaration thereof shall at the expiration of that period be forfeited and cease to remain owing by the Company and shall thenceforth belong to the Company absolutely.

- 35.9 Any dividend or other moneys payable on or in respect of a share may be paid by bank transfer to a bank or building society account specified in writing by the person entitled thereto, by cheque or warrant sent through the post to the registered address of the member or person entitled thereto and in the case of joint holders to the first named of such joint holders, or to such account, person and such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such other person as the holder or joint holders may in writing direct, and payment of the bank transfer, cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
- 35.10 If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.
- 35.11 The Board may, if authorised by an Ordinary Resolution of the Company, offer any holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect 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:
- 35.11.1 An ordinary resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period, but such period may not end later than the beginning of the annual general meeting next following the date of the meeting at which the ordinary resolution is passed.
- 35.11.2 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 elects to forego. For this purpose, "relevant value" shall be calculated by reference to the average of the middle market quotations for the Company's Ordinary Shares on the AIM Market of the London Stock Exchange as derived from the AIM appendix to the Daily Official List (or such other exchange upon which the Company's shares are traded, if different), on 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 may be determined by or in accordance with the Ordinary Resolution and where the Company's shares are not quoted on a recognised market, the "relevant value" shall be that which is determined by the auditors. 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.
- 35.11.3 On or as soon as practicable after announcing that it is to declare or recommend any dividend, the Board, if it intends to offer an election in respect of that dividend, shall also announce that intention, and shall, after determining the basis of allotment if it decides to proceed with the offer, notify the holders of Ordinary Shares in writing of the right of election to

them, and specify the procedure to be followed and the place at which, and the latest time by which elections must be lodged in order to be effective.

- 35.11.4 The Board shall not proceed with any election unless the Company has the requisite shareholder authority under Sections 551 and 571 of the Act and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined.
- 35.11.5 The Board may exclude from any offer any holders of Ordinary Shares where the Board believe that the making of the offer to them 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.
- 35.11.6 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 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 the allotment calculated as stated. For such purpose, the Board shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution 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.
- 35.11.7 The additional Ordinary Shares when allotted shall rank *pari passu* in all respects with the fully paid ordinary shares then in issue except that they will not be entitled to participation in the relevant dividend.
- 35.12 A general meeting declaring a dividend may, upon the recommendation of the directors, direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares, debentures or other securities or rights of any other company, and the directors shall give effect to such resolution and where any difficulty arises in regard to the distribution the directors may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of members, and may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the directors, and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates or any part thereof and otherwise as they think fit.
- 35.13 In this Article 35, reference to "in writing" shall include electronic form.

## 36. **RESERVES**

The directors may before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company, (including any premiums received upon the issue of debentures or other securities or rights of the Company) such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for 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 (including, but subject to the provisions of the Act, the shares of the Company or its holding company, if any) as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think it prudent not to divide.

## **37. CAPITALISATION**

- 37.1 The Company in general meeting may upon the recommendations of the directors resolve by ordinary resolution that it is desirable to capitalise any undivided profits of the Company standing to the credit of the profit and loss account or otherwise and available for distribution (not being required for the payment of fixed dividends on any shares entitled to fixed preferential dividends with or without further participation in profits) and accordingly that the directors be authorised and directed to appropriate the profits resolved to be capitalised to the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportions aforesaid, or partly in the one way and partly in the other, and the directors shall give effect to such resolution.
- 37.2 The Company in general meeting may, subject to the provisions of the Act and upon the recommendation of the directors, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any reserve account of the Company (including its share premium account and capital redemption reserve) or its profit and loss account and whether or not available for distribution by applying such sum in paying up in full unissued shares to be allotted as fully paid shares to those members of the Company who would have been entitled to that sum if it were distributed by way of dividend (and in the same proportions), and the directors shall give effect to such resolution.
- 37.3 Whenever such a resolution as aforesaid shall have been passed, the directors shall make all appropriations and applications of the profits or sum resolved to be capitalised thereby, and (subject to the provisions of the Act) all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto with full power to the directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, or to make provision whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned, and also to authorise any person to enter on behalf of all the members entitled to the benefit of such appropriations and applications into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, and any agreement made under such authority shall be effective and binding on all such members.

## **38. ACCOUNTS**

- 38.1 The directors shall cause accounting records to be kept and preserved in accordance with the Act. The accounting records shall be kept at the Office, or (subject to the provisions of the Act) at such other place as the directors think fit, and shall always be open to inspection by the officers of the Company. No member (other than an officer of the Company) shall have any right of inspecting any account or book or document of

the Company except as conferred by statute or authorised by the directors or by the Company in general meeting.

- 38.2 The directors shall from time to time, in accordance with the provisions of the Act, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are specified in the Act.
- 38.3 The auditors' report shall be read before the Company in general meeting and shall be open to inspection as required by the Act.
- 38.4 A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting and of the directors' and Auditors' reports shall not less than twenty-one days before the date of the meeting be sent to, every member and to every holder of debentures of the Company (such documents may be sent by way of electronic communications), PROVIDED THAT:
- 38.4.1 this Article shall not require copies of such documents to be sent to any person to whom, by virtue of Section 423 of the Act, the Company is not required to send the same, nor to any person of whose address the Company is not aware nor to more than one of the joint holders of any shares or debentures; and
- 38.4.2 instead of these documents there may be sent a copy of such summary financial statement as may be permitted, in such form as may be specified and subject to such conditions as may be required, by law to be sent to the members of, and holders of debentures of, the Company.

## 39. **AUDITORS**

- 39.1 Auditors shall be appointed and their duties, powers, rights and remuneration regulated in accordance with the provisions of the Act. Subject to the provisions of the Act, all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment.
- 39.2 In respect of each financial year of the Company the accounts of the Company shall be examined and the correctness of the balance sheet, profit and loss account and group accounts (if any) ascertained by an auditor or auditors.
- 39.3 The auditor or auditors shall be entitled to attend any general meeting and to receive notices of and other communications relating to any general meeting which any member is entitled to receive, and to be heard at any general meeting on any part of the business of the meeting which concerns him or them as auditor or auditors.
- 39.4 The Company shall comply with the provisions of the Act relating to the sending of copies of special notices of certain resolutions concerning changes of auditors and to the giving notice of, and circulating to members, representations made by auditors retiring or proposed to be removed.

## 40. NOTICES

- 40.1 Notwithstanding anything to the contrary in these Articles, any notice or document to be given, sent, issued, deposited, served, delivered or lodged (or the equivalent) to or by any person pursuant to these Articles (other than a notice calling a meeting of the directors) shall be in writing and, where specified in any particular Article or otherwise if the Board in its absolute discretion considers appropriate for any purpose or purposes under these Articles, any such notice or document shall be deemed given, sent, issued, deposited, served, delivered or lodged (or the equivalent) where it is sent by electronic form to an address for the time being notified for that purpose to the person giving the notice, but subject always to the provisions of the Act and this Article 40. In the case of notices or other documents sent in electronic form, subject to the Act, the Board may make this subject to such terms and conditions as it shall in its absolute discretion consider appropriate.
- 40.2 Any notice or document or information (including a share certificate) may be sent or supplied by the Company (at the sole discretion to any member either: -
- 40.2.1 personally; or
  - 40.2.2 by sending it by post in a prepaid envelope addressed to the member at his registered address or postal address; or by leaving it at that address
  - 40.2.3 subject to the provisions of the Act, by sending it in electronic form to a person who has agreed (generally or specifically) that the notice, document or information may be sent or supplied in that form (and has not revoked that agreement) to the address being notified by the member for that purpose; or
  - 40.2.4 subject to the provisions of the Act, by making it available on a website, provided that the requirements in Article 40.3 are satisfied.
- 40.3 The requirements referred to in Article 40.2.4 are that: -
- 40.3.1 the member has agreed (generally or specifically) that the notice, document or information may be sent or supplied to him by being made available on a website (and has not revoked the agreement), or the member has been asked by the Company to agree that the Company may send or supply notices, documents and information generally, or the notice, documents and information generally, or the notice, document or information in question, to him by making it available on a website and the Company has not received a response within the period of 28 days beginning on the date on which the Company's request was sent and the member is therefore taken to have so agreed (and has not revoked that agreement);
  - 40.3.2 the member is sent a notification of the presence of the notice, document or information on a website, the address of that website, the place on that website where it may be accessed, and how it may be accessed ("notification of availability");
  - 40.3.3 in the case of a notice of meeting, the notification of availability complies with Section 309 of the Act; and
  - 40.3.4 the notice, document or information continues to be published on that website as required by the Act.

- 40.4 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 and the agreement of the first nominal holder that their notices, documents and information may be supplied in electronic form or by being made available on a website shall be binding on all joint holders.
- 40.5 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 or, if the Board in its absolute discretion permits, an address to which notices or documents may be sent in electronic form, he shall be entitled to have notices or documents given or sent to him at that address; but otherwise no such member shall be entitled to receive any notice or document from the Company.
- 40.6 If on at least two consecutive occasions the Company has attempted to send notices or documents in electronic form to an address for the time being notified to the Company by a member for that purpose but the Company is aware that there has been a failure of delivery of such notice or document, then the Company shall thereafter send notices or documents through the post to such member at his registered address or his address for the service of notices by post, in which case the provisions in Article 40.7 shall apply accordingly.
- 40.7 If on three consecutive occasions notices or other documents have been sent in hard copy 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, or if the Board in its absolute discretion permits, an address to which notices may be sent in electronic form.
- 40.8 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 or if the Board in its absolute discretion permits to an address or to which notices may be sent in electronic form 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.
- 40.9 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 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.

- 40.10 Any notice or other document addressed to a member shall, if sent in electronic form, be deemed to have been served or delivered at the expiration of 24 hours after the time it was first sent. In proving such service or delivery it shall be conclusive to prove that the address used for such communication in electric form was correct and that the communication in electric form was properly dispatched by the Company, unless the Company is aware that there has been a failure of delivery of such notice or document following at least two attempts in which case such notice or document shall be sent to the member at his registered address or address for service in the United Kingdom provided that the date of deemed service or delivery shall be 24 hours from the despatch of the original communication in electronic form in accordance with this Article.
- 40.11 Any notice or document which is made available on a website shall be deemed, to have been received as set out in Section 1147(4) of the Act.
- 40.12 Where a document is required under these Articles to be signed by a member or any other person, if the document is in electronic form (as is permitted under these Articles), then in order to be valid the document must either:
- 40.12.1 incorporate the electronic signature, or personal identification details (which may be details previously allocated by the Company), of that member or other person, in such form by the directors may approve, or
  - 40.12.2 be accompanied by such other evidence as the directors may require in order to be satisfied that the document is genuine.
- 40.13 The Company may designate mechanisms for validating any such document and a document not validated by the use of any such mechanisms shall be deemed as having not been received by the Company.
- 40.14 A shareholder who has agreed to receive documents or information electronically shall be entitled to receive such in hard copy form upon request in accordance with Section 1145 of the Act.
- 40.15 Any member present, either personally or by proxy or in the care of a corporation by a duly authorised representative, at any general meeting of the Company or of the holders of any class of share in the Company shall for all purposes be deemed to have received due notice of that meeting, and of the purposes for which the meeting was called.
- 40.16 Every person who, by operation of law, transfer 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.
- 40.17 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 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. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered into the register of members, has been given to the person from whom he derives his title but this Article does not apply to a notice given under Section 793 of the Act.



40.18 If the Company destroys:

- 40.18.1 any share certificate which has been cancelled at any time after a period of one year has elapsed from the date of cancellation, or
- 40.18.2 any instruction concerning the payment of dividends or other monies in respect of any share or any notification of change of name or address at any time after a period of two years has elapsed from the date the instruction or notification was recorded by the Company, or
- 40.18.3 any instrument of transfer of shares which has been registered at any time after a period of 6 years has elapsed from the date of registration, or
- 40.18.4 any other document on the basis of which any entry is made in the register at any time after a period of six years has elapsed from the date the entry was first made in the register in respect of it

and the Company destroys the document in good faith and without express notice that its preservation was relevant to a claim, it shall be presumed irrevocably in favour of the Company that every share certificate so destroyed was a valid certificate and was properly cancelled, that every instrument of transfer so destroyed was a valid and effective instrument of transfer and was properly registered and that every other document so destroyed was a valid and effective document and that any particulars of it which are recorded in the books or records of the Company were correctly recorded. Nothing contained in this Regulation shall be construed as imposing upon the Company any liability by reason only of the destruction of any document of the kind mentioned above before the relevant period mentioned in this Article has elapsed or of the fact that any other condition precedent to its destruction mentioned above has not been fulfilled. References in this Regulation to the destruction of any document include references to its disposal in any manner.

41. **WINDING UP**

- 41.1 If the Company shall be wound up (whether the liquidation is altogether voluntary, under supervision or by the court) the liquidator may, with the authority of an special resolution and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares in respect of which there is a liability.
- 41.2 A special resolution sanctioning a transfer or sale to another company duly passed pursuant to Section 110 of the Insolvency Act 1986 may in the like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights, and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

## 42. **RECORD DATES**

- 42.1 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 (the “record date”) as the date at the close of business (or such other time as the Board may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular and such record date may be on or at any time before the date on which the same is paid, made, given or served or (in the case of any dividend, distribution, interest, allotment or issue) at any time after the same is recommended, resolved, declared or announced but without prejudice to the rights inter se in respect of the same of transferors and transferees of any such shares or other securities. No change in the register of such holders after the record date shall invalidate the same.

## 43. **INDEMNITY**

- 43.1 Subject to the provisions of the Act and so far as may be permitted by law, every director, auditor, secretary or other officer of the Company and any Associated Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities sustained or incurred by him in connection with any negligence, default, breach of duty as breach of trust in relation to the execution and discharge of his duties or office otherwise or in relation to or in connection with his duties powers or office and, in particular but without prejudice to the generality of the foregoing shall be indemnified at of the assets of the Company against any liability incurred by him in defending any proceedings, civil or criminal (and including regulatory proceedings), 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 PROVIDED THAT this Article shall be deemed not to provide for or entitle any such person to indemnification to the extent that it would cause this Article of any element of it to be treated as void under the Act and provided that this Article shall not cover:

- 43.1.1 any payment of criminal fines or regulatory penalties imposed upon a director;
- 43.1.2 any liability incurred by a director in defending criminal proceedings in which he is convicted;
- 43.1.3 any liability incurred by a director in defending or as a result of any civil proceedings brought by the Company or an associated company of the Company in which judgement is given against him;
- 43.1.4 any liability incurred by a director in connection with any application under Sections 661(3) or 661(4) or Section 1157 of the Act in which the court refuses to grant him relief;
- 43.1.5 any liability incurred by an auditor in defending any proceedings (whether civil or criminal) unless judgement is given in his favour or he is acquitted;
- 43.1.6 any liability incurred by an auditor in connection with any application under Section 1157 of the Act in which the court refuses to grant him relief;
- 43.1.7 any liability incurred by a director in defending or as a result of any civil proceedings in which judgment is given against him unless he has acted

honestly and reasonably in relation to the subject matter of the proceedings.

- 43.2 The Company may purchase and maintain for any officer or auditor of the Company and/or any Associated Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.
- 43.3 In this Article, "Associated Company" shall mean "associated bodies corporate" within the meaning given to such expression in Section 256 of the Act.