

**ARTICLES OF ASSOCIATION**  
**of**  
**AORTECH INTERNATIONAL PLC**  
**(as amended by Special Resolution dated**  
**24 September 2015)**

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**COMPANIES ACT 1985 (AS AMENDED)**

**A PUBLIC COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

of

**AORTECH INTERNATIONAL PLC**

(as amended by Special Resolution dated [ ] September 2015)

**PRELIMINARY**

**1. Non-Application of Table A**

The regulations in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) or in any former or subsequent enactment or regulation shall not apply to the Company.

**2. Definitions**

In these Articles (if not inconsistent with the subject or context and unless otherwise provided) the words in the first column of the table below shall bear the meanings set opposite to them respectively in the second column thereof.

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Words	Meanings
the Act	the Companies Acts 2006 as defined in Section 2 of the Companies Act 2006;
the Statutes	the Act and every other Act for the time being in force concerning companies and affecting the Company;
these Articles	these Articles of Association from time to time altered;
Office	the registered office of the Company for the time being;
Transfer Office	the place where the Register of Members is situated for the time being;
Seal	the Common Seal of the Company;

Securities Seal	an official seal kept by the Company by virtue of the Act;
subsidiary	a company which is for the time being a subsidiary (as that expression is defined in the Act) of the Company;
electronic communication	any document or information sent or supplied in electronic form within the meaning specified in the Act;
Directors	the Board of Directors of the Company or the Directors present at a duly convened meeting of the Directors at which a quorum is present;
the United Kingdom	Great Britain and Northern Ireland;
Month	calendar month;
Year	calendar year;
in writing	written, or produced by any visible substitute for writing, or partly one and partly another;
dividend	dividend and/or bonus;
the London Stock Exchange	London Stock Exchange plc;
Deferred Shares	the deferred shares of 245 pence each in the capital of the Company having the rights set out in these Articles;
Ordinary Shares	the ordinary shares of 5 pence each in the capital of the Company having the rights set out in these Articles;
share	a share of the Company of whatever class.

The expressions “debenture” and “debenture-holder” shall include “debenture stock” and “debenture stockholder” respectively.

The expression “the Company’s Bankers” means, if more than one, such one of the Company’s Bankers as may be selected by the Directors.

The expression “Secretary” shall (subject to the provisions of the Statutes) include any deputy secretary, assistant secretary and any other person appointed by the Directors to perform any of the duties of the Secretary and, where two or more persons are appointed to act as joint secretaries, shall include any one of those persons.

The expression “member present in person” shall be deemed to include the presence of an authorised representative of a corporate member and cognate expression shall be construed accordingly.

All such of the provisions of these Articles as are applicable to paid-up shares (other than those relating to share warrants) shall apply to stock, and the words “share” and “shareholder” shall be construed accordingly.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine gender shall include the feminine gender. Words denoting persons shall include partnerships, companies and corporations.

References to any statute or statutory provisions shall (if not inconsistent with the subject or context) include any statutory modification or re-enactment thereof for the time being in force.

Any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meaning in these Articles. Where for any purpose an Ordinary Resolution of the Company is expressed to be required under the provisions of these Articles, a Special Resolution shall also be effective.

Headings and sub-headings to Articles are inserted for convenience only and do not affect the construction of these Articles.

## **BUSINESS**

### **3. Business of the Company**

Any activity or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Directors at such time or times as they shall think fit, and the Directors may permit the conduct of any such activity or business to be suspended, whether such activity or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with the same.

### **4. Change of Name**

The name of the Company may be changed by a decision of the Directors.

## **CAPITAL**

### **5. Shares and Liability of Members**

The share capital of the Company is divided into Ordinary Shares and Deferred Shares and the liability of the members is limited to the amount if any unpaid on the shares held by them. Except as otherwise provided by these Articles, the Ordinary Shares and the Deferred Shares shall rank *pari passu* in all respects but constitute different classes of shares.

### **6. Redeemable shares and shares with special rights**

Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued (which special rights may be varied or abrogated only in the manner provided by the Articles), any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, failing any such determination, as the Directors may determine) and subject to the provisions of the Statutes the Company may issue any shares which are, or at the option of the Company or the holder are to be liable, to be redeemed on such terms and in such manner as the Directors may determine.

**6A. Deferred Shares**

6A.1 The Deferred Shares shall have the rights and be subject to the following restrictions:

- 6A.1.1 the Deferred Shares shall not confer on the holders thereof any right to receive notice of or to attend or vote at any general meeting of the Company;
- 6A.1.2 a Deferred Share shall confer no right of pre-emption (whether on allotment or transfer) on its holder;
- 6A.1.3 the Deferred Shares shall not carry any entitlement to dividends or to participate in any way in the income or profits of the Company or the assets of the Company;
- 6A.1.4 on a return of capital, whether on a winding-up or otherwise, or sale of the Company, the holders of the Deferred Shares shall be entitled to receive a total of one pound (£1.00) for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares), but only after the holders of each Ordinary Share have received £100,000,000, but the holders of Deferred Shares shall not be entitled to participate further;
- 6A.1.5 the Company shall have the irrevocable authority at any time after the creation or issue of Deferred Shares to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or agreement to transfer the same without making any payment to the holders thereof to such person or persons as the Company may determine and, in accordance with the provisions of the Statutes, as the case may be, to purchase or cancel such shares without making any payment to or obtaining the sanction of the holders thereof and pending such transfer and/or purchase or cancellation to retain the certificates (if any) in respect thereof provided also that the Company may, in accordance with the provisions of the Statutes, purchase all but not some only of the Deferred Shares then in issue at a price not exceeding one pound (£1.00) for all the Deferred Shares so purchased;
- 6A.1.6 the rights attaching to the Deferred Shares shall not be deemed to be varied, modified or abrogated by the creation and/or allotment and/or issue of any further shares in the capital of the Company of any class (whether ranking *pari passu* with or in priority to them) or the passing of

any resolution of the Company reducing its share capital or cancelling the Deferred Shares or anything done pursuant to any other act, matter or thing whatsoever save for any proposal to vary (otherwise than to the advantage of the holders of the Deferred Shares) the rights of the holders of the Deferred Shares to participate in a return of capital; and

6A.1.7 notwithstanding any provision of these Articles, the Company shall not be required to issue any share certificates in respect of the Deferred Shares.

#### **VARIATION OF CLASS RIGHTS**

7.

##### **7.1. Method of varying class rights**

Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated in such manner as may be specified by those rights or either with the consent in writing of the holders of three-fourths of the issued shares of the class 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) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate General Meeting all the provisions of these Articles relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting a quorum as above defined is not present, any one holder of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if the shares concerned and the remaining shares of such class formed separate classes.

##### **7.2. When class rights deemed not to be varied**

The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of the issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

#### **ALTERATION OF CAPITAL**

##### **8. New Shares**

All new shares shall be subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.



9. **Fractions**

Upon any consolidation of fully paid shares into shares of a larger amount the Directors may settle any difficulty which may arise with regard thereto and in particular may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name of one holder (or joint holders) being consolidated with shares registered in the name of another holder (or joint holders) may make such arrangements for the allocation, acceptance or sale of the consolidated share and for the distribution of any moneys received in respect thereof and may appoint some person to transfer the consolidated share or any fractions and to receive the purchase price thereof (or in the case of shares in uncertificated form, take such other action under the Regulations or the rules of the relevant system (such terms being defined for the purposes of this Article and the Articles generally in Article 47 as may be necessary to give effect to the foregoing provisions), and any transfer executed in pursuance thereof shall be effective and after such transfer has been registered no person shall be entitled to question its validity.

**SHARES**

10. **Payment of commission**

In addition to all other powers of paying commissions, the Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. Any such commissions may be paid in cash or in fully or partly paid shares of the Company, or partly in one way and partly in another, as may be arranged. The Company may also on any issue of shares pay such brokerage as may be lawful.

11. **Renunciation**

The Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

12. **Interests not recognised**

12.1. Except as required by law or by these Articles, the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the holder or, in the case of a share warrant, in the bearer of the warrant for the time being.

12.2. **Trusts may be recognised**

The Company shall be entitled, but shall not be bound, to recognise in such manner and to such extent as it may think fit any trusts in respect of any of the shares of the Company. Notwithstanding any such recognition, the Company shall not be bound to see the execution, administration or observance of any trust, whether express,

implied or constructive, in respect of any shares of the Company and shall be entitled to recognise and give effect to the acts and deeds of the holders of such share as if they were the absolute owners thereof. For the purpose of this Article “trust” includes any right in respect of any shares of the Company other than an absolute right thereto in the holder thereof for the time being or such other rights in the case of transmission thereof as mentioned in these Articles.

## **CERTIFICATES**

### **13. Authentication and Form of Certificates**

For so long as required by the regulations of the London Stock Exchange every certificate for shares, warrants, debentures or other securities of the Company shall (except to the extent that the terms and conditions for the time being relating thereto otherwise provide) be issued under the Seal (or under a Securities Seal or, in the case of shares on a branch register, an official seal for use in the relevant territory) and subject as hereinafter provided and subject to the Statutes shall bear the autographic signatures at least of one Director and the Secretary. Provided that the Directors may by resolution determine, either generally or in any particular case or cases, that such signatures of either of them shall be dispensed with or shall be affixed by some method or system of mechanical signature or that certificates may be signed or authenticated by some other person or persons. Every such certificate shall specify the number and class of shares, debentures or other securities to which it relates and the amount paid up thereon. No certificate shall be issued representing shares, debentures or other securities of more than one class.

### **14. Members’ rights to certificates**

Every person (subject to the provisions of Article 47 and Article 6A.1.7) whose name is entered as a member in the Register of Members shall be entitled without payment to a certificate therefor (in the case of issue) within one month (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer fully paid shares) within fourteen days after lodgement of a transfer or (in the case of a transfer of partly paid shares) within two months after lodgement of transfer or (upon payment of such reasonable charge (if any) for every certificate after the first as the Directors shall from time to time determine) to several certificates, each for one or more of his shares of any one class. Provided that the Company shall not be bound to register more than four persons as the joint holders of a share and in the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate for each class of share so held and delivery of a certificate to one of such persons shall be deemed sufficient delivery to all.

### **15. Delivery of certificate to broker or agent**

Delivery of a certificate for shares to a broker or agent acting in regard to the purchase or transfer of shares to which it relates shall be sufficient delivery to the purchaser or the transferee, as the case may be.

### **16. Transfer of part of a holding**

Where a member transfers part only of the shares comprised in a share certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.

**17. Cancellation and replacement of certificates**

- 17.1. Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for all such shares issued in lieu upon payment of such reasonable charge (if any) as the Directors shall from time to time determine.
- 17.2. If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request upon payment of such reasonable charge (if any) as the Directors shall from time to time determine.
- 17.3. If a share certificate shall be damaged, defaced, worn out, or alleged to have been lost, stolen or destroyed, it may be replaced by a new certificate on request subject to (in the case of damage, defacement or wearing out) delivery up of the certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions (if any) as to evidence and indemnity as the Directors think fit. Any such replacement certificate shall be issued without charge, save that in the case of alleged loss, theft or destruction, the person to whom a new certificate is issued shall pay to the Company any exceptional expenses incidental to the investigation of evidence of loss, theft or destruction and the preparation of the requisite form of indemnity as aforesaid.
- 17.4. In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.
- 17.5. Notwithstanding the terms of Article 14 above, where, in accordance with the terms of Article 47 hereof, any shares or other securities of the Company are issued, transferred, registered or otherwise held in uncertificated form, any references in these Articles of Association requiring title to shares or other securities to be evidenced by or transferred by reference to share certificates or any other form of written instrument shall not apply and the holding, transfer, recording of title to and registration of, issued by the Company will be governed by reference to the provisions of Article 47 hereof.

**CALLS ON SHARES**

**18. Power to make calls**

Subject to the terms of allotment, the Directors may from time to time make calls upon the members in respect of any monies which are unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and are not by the terms of issue thereof made payable at fixed times. 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. A call may be required to be paid in instalments and may be either revoked or postponed as the Directors

may determine in whole or in part at any time before the receipt by the Company of any sum due thereunder. Without prejudice to the lien created by Article 32 a person on whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

**19. Time when call made**

A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed, whether or not payable by instalments.

**20. Liability of and receipts by joint holders**

The joint holders of a share shall be jointly and severally liable to pay a call in respect thereof and any one of such persons may give an effective receipt for any return of capital in respect of such share.

**21. Interest payable on non-payment**

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 interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding three per cent per annum above the Base Rate of the Company's Bankers from time to time or in the absence of such a Base Rate, twenty per cent per annum) as the Directors determine and all expenses that may have been incurred by the Company by reason of such non-payment, but the Directors shall be at liberty in any case or cases to waive payment of such interest and expenses wholly or in part.

**22. Sums due on allotment deemed as calls**

Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or (whether by instalment or otherwise) at any fixed date 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. In case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**23. Differentiation in calls**

The Directors may at any time and from time to time differentiate between the holders as to the amount of calls to be paid and the times of payment.

**24. Payment of calls in advance**

The Directors may if they think fit receive from any member willing to advance the same, all or any part of the monies (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the monies so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (but not exceeding three per cent per annum below the Base Rate of the Company's Bankers from time to time

or, in the absence of any such Base Rate, fourteen per cent per annum) as the member paying such sum and the Directors agree upon. No sum paid up in advance of calls shall entitle the holder of a share in respect thereof to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable. The Directors may at any time repay monies paid up in advance of calls upon giving to the member not less than one month's notice in writing.

### **FORFEITURE, SURRENDER AND LIEN**

**25. Notice requiring payment of call on default**

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

**26. Form of Notice**

The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.

**27. Forfeiture for non-compliance with notice**

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 payment of all calls, interest, costs, charges and expenses due in respect thereof has been received by the Company, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

**28. Notice of Forfeiture**

When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the share, or the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register opposite to the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

**29. Annulment of forfeiture**

Notwithstanding any such forfeiture as aforesaid, the Directors may at any time before the forfeited share has been otherwise disposed of permit the share so forfeited to be redeemed

upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon any further or other terms they may think fit.

**30. Sale or cancellation of forfeited shares**

A share so forfeited or surrendered shall become the property of the Company and may (subject to the provisions of the Statutes) be sold, re-allotted 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 Directors shall think fit and whether with or without all or any part of the amount previously paid on the share being credited as paid at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid (or in the case of shares in uncertificated form, take such action under the Regulations or rules of the relevant system necessary to give effect to the foregoing provisions).

**31. Arrears to be paid notwithstanding forfeiture or surrender**

A member all or any of 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 of the shares forfeited or surrendered but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all monies which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at three per cent per annum above the Base Rate of the Company's Bankers from time to time or, in the absence of any such Base Rate twenty per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment but the Directors may waive payment of such interest either wholly or in part and the Directors 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.

**32. Company to have lien on shares**

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of such share. The Company shall also, insofar as is permitted by the Statutes, have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member and whether the period for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends or other monies payable thereon or in respect thereof. The Directors may waive any lien which has arisen and may declare any share to be exempt wholly or partially from the provisions of this Article.

**33. Enforcement of lien by sale**

The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless such sum 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 the intention to sell in default shall have been given to the registered holder for the time being of the share or the person entitled thereto by reason of death or bankruptcy. For giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser (or in the case of shares in uncertificated form, the Directors shall take such action under the Regulations or the rules of the relevant system necessary to enter the purchaser, or such person as directed by the purchaser, on its register as the holder of the relevant shares).

34. **Application of proceeds of sale**

The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists so far as the same are presently payable and any residue shall (subject to a like lien for debts for 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.

35. **Statutory declaration as to forfeiture, surrender or sale**

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 to satisfy a lien of the Company 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, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required or in the case of shares in uncertificated form, the taking of such equivalent action under the Regulations or the rules of the relevant system as the Directors consider appropriate) 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 purchase money (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, re-allotment or disposal of the share and the remedy of any person aggrieved in respect thereof shall be in damages only and against the Company exclusively.

## **TRANSFER OF SHARES**

36. **Form of execution of transfers**

Subject as aftermentioned all transfers of shares shall be effected by instrument in writing in any usual or common form or in any other form acceptable to the Directors. The instrument of transfer shall be executed 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 shares concerned until the name of the transferee is entered in the Register of Members in respect thereof. Nothing in this Article or in the provisions hereinafter following, shall preclude the transfer of shares or other securities of the Company in uncertificated form in accordance with the terms of Article 47 hereof, and any references to the execution of any instrument of transfer or the registration of any transfer of shares or

other securities of the Company in uncertificated form, shall be read in accordance with the terms of Article 47 hereof.

**37. Notice of refusal to register**

The Directors may in their absolute discretion decline to register any transfer of a share, not being a fully paid share, unless such share is listed on the London Stock Exchange. The Directors may also decline to register any transfer of a share on which the Company has a lien. If the Directors refuse to register a transfer they shall promptly (and in any event within two months after the date on which the transfer was lodged with the Company) send to the transferee notice of the refusal together with details of the reason for the refusal.

**38. Requirements for registration of transfer**

The Directors may decline to register any instrument of transfer unless the instrument of transfer is in respect of only one class of share, in favour of not more than four transferees is lodged, duly stamped or adjudged or certified as not chargeable to stamp duty and is deposited at the Transfer Office, or at such other place as the Directors may from time to time determine, accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so). The Directors shall not exercise the powers contained in Article 38 where such exercise would disturb the market in shares.

**39. Retention of transfers**

All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors refuse to register shall (except in the case where fraud or any other crime involving dishonesty is suspected in relation to such transfer) be returned to the person lodging it when notice of refusal is given.

**40. No fee payable for registration of transfers**

No fee will be charged by the Company in respect of the registration of any instrument of transfer or confirmation or probate or letters of administration or certificate of marriage or death 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 of Members affecting the title to any shares.

**41. Recognition of renunciations**

Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

**42. Destruction and validity of documents**

The Company shall be entitled to destroy (a) all share certificates which have been cancelled at any time after the expiration of one year from the date of such cancellation, and (b) all notifications of change of name and address and all dividend mandates which have been cancelled or have ceased to have effect at any time after the expiration of two years from the date of the recording of such notification or, as the case may be, the date of such



cancellation or cessation, and (c) all instruments of transfer of shares which have been registered at any time after the expiration of six years from the date of registration thereof, and (d) any other documents on the basis of which any entry in the Register of Members has been made at any time after the expiration of six years from the date of the first entry in the Register of Members in respect thereof, and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and that every instrument of transfer so destroyed was a valid and effective document duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company.

Provided always that:-

- 42.1. the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- 42.2. nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article;
- 42.3. references herein to the destruction of any document include references to the disposal thereof in any manner.

#### **TRANSMISSION OF SHARES**

#### **43. Transmission on death**

In case of the death of a registered shareholder, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.

#### **44. Registration or transfer on death, bankruptcy, etc**

- 44.1. Subject to the provisions of the preceding Article any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided) upon evidence being produced as may from time to time properly be required by the Directors either (a) be registered as holder of the share in a representative capacity or (b) be registered himself as holder of the share or (c) transfer such share to some other person. The Directors shall, in any case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy, as the case may be.

44.2. The intimation to the Company, by or on behalf of any person becoming entitled to a share in accordance with paragraph 44.1 of this Article, of the evidence therein required shall be deemed to be a request by such person to be registered as holder of the share in a representative capacity unless such person shall otherwise elect as after mentioned, provided always that such registration shall not impose any personal liability upon such person in respect of the share. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing in a form acceptable to the Directors signed by him stating that he so elects and if he shall elect to have another person registered he shall testify his election by execution to that person of a transfer of the share. 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 that member.

45. **Rights of persons entitled by transmission**

Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a registered share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share, but he shall not be entitled (except with the authority of the Directors) to receive notices of or to attend or vote at any general meetings or at any separate meeting of the holders of any class of shares, or (save as aforesaid) to any of the rights or privileges of a member, unless and until he shall have become a member in respect of the share.

**UNTRACED SHAREHOLDERS**

46.

46.1. Power to dispose of shares of untraced shareholders.

The Company shall be entitled to sell at the best price then reasonably obtainable the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that:-

- (i) during the period of twelve years ending on the date of the publication of the advertisement referred to in sub-paragraph (ii) below (or, if published on different dates, the later or latest thereof) at least three dividends have become payable on or in respect of the shares in question but all dividends or other monies payable on or in respect of such shares during such period remain unclaimed and no communication in respect of the shares has been received by the Company from the member concerned; and
- (ii) the Company shall have inserted an advertisement in one Scottish and one London daily newspaper and in a newspaper circulating in the area of the last known address of such member or other person, giving notice of its intention to sell the said shares; and

- (iii) during the said period of twelve years and the period of three months following the publication of the said advertisements or of the last of the two advertisements to be published if they are published on different dates prior to the sale of the shares, the Company shall have received indication neither of the whereabouts nor of the existence of such member or person; and
- (iv) notice shall have been to the London Stock Exchange of the Company's intention to make such sale.

#### **46.2. Power to dispose of additional shares**

The Company shall also be entitled to sell, in the manner provided for in this Article, any share ("additional share") issued during the said period or periods of twelve years and three months in right of any share to which Article 46.1 applies or in right of any share issued during either of such periods, provided that the requirements of sub-paragraphs (i) (but modified to exclude the words "during the period of twelve years ending on the date of publication of the advertisement referred in sub-paragraph (ii) below (or if published on different dates, the later or latest thereof) at least three dividends have become payable on or in respect of the shares in question but", (ii), (iii) (but modified to exclude the words "the said period of twelve years and" and (iv) of Article 46.1 are satisfied in respect of such additional share.

#### **46.3. Sale procedure and application of proceeds**

To give effect to any such sale the Company may appoint some person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, such shares (or in the case of shares in uncertificated form, the Company may take such equivalent action under the Regulations (as defined in Article 47) or the rules of the relevant system) and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

### **UNCERTIFICATED SHARES**

#### **47. Uncertificated Shares**

##### **47.1. In this Article:-**

- (i) "the Regulations" means the Uncertificated Securities Regulations 2001 and includes (i) any enactment or subordinate legislation which amends or supersedes those Regulations and (ii) any applicable rules made under those

Regulations including those of a relevant system or under any such enactment or subordinate legislation for the time being in force;

- (ii) words and expressions used in this Article have the same meaning as in the Regulations in force on the date of the adoption of this Article; and
- (iii) "CREST" means the relevant system operated by Euroclear UK & Ireland Limited in terms of the Regulations or any other applicable system which is a "relevant system" for the purposes of the Regulations, which enables title to shares or other securities to be evidenced and transferred without a written instrument.

47.2. Nothing in these Articles shall preclude any share or other security of the Company from being issued, held, registered, converted, transferred or otherwise dealt with or rights in relation thereto being exercised in uncertificated form in accordance with the Regulations and any rules or requirements laid down from time to time by CREST or any other relevant system operated pursuant to the Regulations.

47.3. In relation to any share or other security which is in uncertificated form, the Articles of Association shall have effect subject to the provisions of the Regulations and (so far as consistent with them) to the following provisions:

- (i) the Company shall not be obliged to issue a certificate evidencing title to shares and all references to a certificate in respect of any shares or securities held in uncertificated form in these Articles of Association shall be deemed inapplicable to such shares or securities which are in uncertificated form and furthermore shall be interpreted as a reference to such form of evidence of title to uncertificated shares or securities as the Regulations and/or rules of the relevant system prescribe or permit;
- (ii) the registration of title to and transfer of any shares or securities in uncertificated form shall be effected in accordance with the Regulations and the rules of the relevant system and there shall be no requirement for a written instrument of transfer;
- (iii) a properly authenticated dematerialised instruction given in accordance with the Regulations and any rules of the relevant system operated pursuant to the Regulations shall be given effect in accordance with the Regulations;
- (iv) shares may be changed from uncertificated to certificated form and from certificated to uncertificated form, in accordance with and subject as provided in the Regulations and the Company shall record in the Register that the shares are held in certificated or uncertificated form, as appropriate;
- (v) any communication required or permitted by these Articles to be given by a person to the Company or by the Company to a person may be given in accordance with and in any manner (whether or not in writing) prescribed or permitted by the Regulations or any rules operated by the relevant system;

(vi) if a situation arises where any provision of these Articles of Association are inconsistent in any respect with the terms of the Regulations in relation to shares or securities of the Company which are in uncertificated form then:-

(a) the Regulations will be given effect thereto in accordance with their terms; and

(b) the Directors shall have power to implement any procedures as they may think fit as may accord with the Regulations and/or the rules of the relevant system for the recording and transferring of title to, and exercise of any rights relating to, shares and securities in uncertificated form and for the regulation of those proceedings and the persons responsible for or involved in their operation.

47.4. The Directors shall have the specific powers to elect, without further consultation with the holders of any shares or securities of the Company (except where such shares or securities are constituted by virtue of some other Deed, document or other source) that any single or all classes of shares and securities of the Company become capable of being traded in uncertificated form in accordance with the Regulations on CREST or any other Operator of a relevant system.

#### **GENERAL MEETINGS**

##### **48. Annual General Meetings**

Annual General Meetings shall be held in accordance with the Act, at such time and place as may be determined by the Directors. All other meetings shall be called General Meetings. The provisions of these Articles relating to the proceeds of General Meetings shall apply equally to Annual General Meetings.

##### **49. General Meetings**

The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed to convene a General Meeting. If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director or, if there is no Director within the United Kingdom, any member of the Company may call a general meeting.

##### **50. Separate Class Meetings**

All the provisions of the Act and of these Articles relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply to any separate meeting of the holders of shares of any class held otherwise than pursuant to Article 7.1. For the purposes of any such separate class meeting, a special resolution is a resolution duly passed by a majority consisting of not less than three fourths of the votes given upon the resolution at such meeting of which notice specifying the intention to propose the resolution as a special resolution shall have been duly given.

#### **NOTICE OF GENERAL MEETINGS**

##### **51. Period and omission of non-receipt of notice**

An Annual General Meeting and any General Meeting, shall be called by such notice as is required in the circumstances by the Act.

The accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting.

52. **Contents of notice**

52.1. Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement of the members rights with respect to appointment of proxies.

52.2. In cases of an Annual General Meeting, the notice shall also specify the meeting as such.

52.3. In the case where instruments of proxy are sent out with notices, the accidental omission to send such instruments of proxy to, or the non-receipt of such instruments of proxy by, any person entitled to receive notice shall not invalidate the proceedings at any General Meeting.

52.4. In the case of an Annual General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

53. **Routine Business**

Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-

53.1. sanctioning or declaring dividends;

53.2. considering and adopting the accounts, the reports of the Directors and Auditors and other documents required to be annexed to the accounts;

53.3. appointing and re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);

53.4. fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and

53.5. appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement by rotation or otherwise.

54. **Notice of resolutions on members' requisitions**

The Directors shall on the requisition of members in accordance with the provisions of the Statutes, but subject as therein provided:-

- 54.1. give to the 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;
- 54.2. circulate to the members entitled to have notice of any General Meeting, 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.

## **PROCEEDINGS AT GENERAL MEETINGS**

### **55. Quorum**

No business other than the appointment of a chairman of the meeting shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Two members present in person or by proxy or a duly authorised representative of a corporation which is a member and entitled to vote shall be a quorum for all purposes.

### **56. Quorum not present**

If within fifteen minutes from the time appointed for a General Meeting (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the chairman of the meeting may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting or ceases to be present, the members present in person or by proxy and entitled to vote shall be a quorum.

### **57. Chairman**

The Chairman (if any) of the Board of Directors, failing whom one of the Deputy Chairmen (if any), failing whom one of any Vice-Chairmen (if any) (to be chosen, if more than one are present and in default of agreement amongst themselves, by lot) shall preside as chairman at a General meeting. If there be no such Chairman or Deputy Chairman or Vice-Chairman, or if at any meeting none of them be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.

### **58. Adjournments**

The chairman of the meeting may with the consent of any General Meeting (being the consent of a majority in number of persons present and entitled to vote on a show of hands) at which a quorum is present (and shall if so directed by the meeting being the direction of a majority of such persons as aforesaid) adjourn the meeting from time to time (or sine die) and from place to place. In addition, the chairman of the meeting may at any time without the consent of the meeting adjourn the meeting to another time or place if it appears to him that (i) the number of persons wishing to attend cannot be conveniently accommodated in

the place(s) appointed for the meeting; or (ii) the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of its business; or (iii) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted. 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.

**59. Time and place of adjourned meetings**

When a meeting is adjourned sine die then the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for fourteen days or more or sine die not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**60. Amendments to resolutions**

60.1. 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 be considered or voted upon 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 upon unless either at least forty eight (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 received by the company or the chairman of the meeting in his absolute discretion decides that it may be considered or voted upon. With the consent of the chairman of the meeting, an amendment may be withdrawn by it proposed before it is put to the vote.

60.2. If an amendment shall be proposed to any resolution under consideration but shall be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

**61. Methods of Voting**

At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll as hereinafter mentioned) demanded by either:-

61.1. the chairman of the meeting; or

61.2. not less than five members present in person or by proxy and entitled to vote on the resolution; or

61.3. a member or members present in person or by proxy and representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution; or

61.4. a member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution 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.

**62. Declaration of result and conduct of a poll**

A demand for a poll may be withdrawn at any time before the conclusion of the meeting or the taking of the poll, whichever is the earlier. If a demand for a poll is withdrawn the show of hands declared before the demand was made shall remain valid. Unless a poll be duly demanded (and the demand be 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, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is duly demanded (and the demand be not withdrawn), it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

**63. When poll to be taken**

A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (being not more than fourteen days after the date of the meeting at which the poll was demanded) and place as the chairman may direct. No notice need be given of a poll not taken immediately.

**64. Continuance of meeting**

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

### **VOTES OF MEMBERS**

**65. Right to vote**

Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member present or deemed by these Articles to be present in person and every person present who has been duly appointed as a proxy and entitled to vote shall have one vote; and on a poll every member present or so deemed present in person or by proxy and entitled to vote shall have one vote for every share held by him.

**66. Votes of joint holders**

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

**67. Member under incapacity**

A member who is a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by such court, and any such committee, receiver, curator bonis or other person may, appoint a proxy on behalf of the member or 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 Transfer Office, or at such other place (if any) as is specified for the delivery of instruments of proxy in accordance with these Articles, not later than the time specified as the latest time for the deposit of an Instrument of Proxy in respect of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at, or on the same day as, the meeting or adjourned meeting) for the taking of the poll at which it is desired to vote, and in default the right to vote shall not be exercisable.

**68. Calls in arrears and disenfranchisement**

- 68.1. No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him 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 if any call or other sum presently payable by him to the Company in respect of shares in the Company remains unpaid and in every case when a member has become bankrupt he shall not, while his bankruptcy continues be entitled to be present or vote at any general meeting.
- 68.2. Without prejudice to any other rights or remedies of the Company, where, in respect of any shares in the Company, any registered holder of such shares (including any further shares which are allotted or issued in respect of such shares) or other person appearing to be interested in such shares fails to comply with any notice (in this Article called a "statutory notice") given to that person by the Company pursuant to Part VI of the Act or, in purported compliance with such a statutory notice, makes a statement which is false in a material particular, then not earlier than fourteen days (where the shares in question represent at least 0.25% of that class) or twenty-eight days (in any other case) after the service of such statutory notice the Company may serve upon such registered holder a notice (in this article called a "disenfranchisement notice" which shall be conclusive against such registered holder and its validity shall not be questioned by any person) stating or to the effect that such shares shall, from the service of the disenfranchisement notice until the statutory notice has been complied with confer on him no right to attend or vote in person or by proxy at any General Meeting of the Company or at any separate General Meeting of the holders of the shares of that class until the statutory notice has been complied with. In addition, where the shares in question represent at least 0.25% of that class, the disenfranchisement notice may also direct that all or any of the following restrictions shall also apply in respect of such shares: (i) no transfer, other than an approved transfer, of any of the shares held by such member shall be registered unless (1) such member is not himself in default as regards supplying the information requested and (2) the transfer is of part only of such member's holding and, when presented for registration, is accompanied by a certificate by such member in a form satisfactory to the Directors to the effect that, after due and careful enquiry, such member is satisfied that no person in default as regards

supplying such information is interested in any of the shares the subject of the transfer; (ii) no further shares shall be issued in right of them or in pursuance of any offer made to such member; and (iii) except in a liquidation, any dividend or other moneys which would otherwise be payable on such shares shall (in whole or in part) or, where the member elects pursuant to these Articles to receive shares instead of a dividend, such shares shall be retained by the Company without any liability to pay interest thereon when such moneys are finally paid to such member but this subparagraph (iii) shall not prejudice or otherwise affect the rights of such member on a winding up. The Directors may cancel a disenfranchisement notice in whole or in part at any time. A disenfranchisement notice shall have effect in accordance with its terms for so long as the default in respect of which the disenfranchisement notice continues but shall cease to have effect not more than seven days after the date when either any shares are transferred by such member by means of an approved transfer or when the Directors are satisfied that the information required by the disenfranchisement notice has been received in writing by the Company. A transfer of shares is an approved transfer if but only if: (a) it is a transfer of shares to an Offeror by way or in pursuance of acceptance of a takeover offer for a company (as defined in the Act); or (b) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a person unconnected with the registered holder or with any other persons appearing to be interested in such shares; or (c) the transfer results from a sale made through a recognised investment exchange (as defined in the Financial Services & Markets Act 2000) or recognised clearing house or any stock exchange or market outside the United Kingdom on which the Company's shares are normally traded to a person unconnected with the registered holder or with any other persons appearing to be interested in the shares in question. For the purpose of this paragraph a person shall be treated as appearing to be interested in any shares if the registered holder of such shares has given to the Company a notification under the Act which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

**69. Objections to voting**

If (i) any objection shall be raised to the qualification of any person to vote or to the admissibility of any vote or (ii) any votes have been counted which ought not to have been counted or which might have been rejected or (iii) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error raised or pointed out in due time shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

**70. Voting provisions**

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

**PROXIES****71. Proxy need not be a member**

A proxy need not be a member of the Company.

**72. Appointment and form of proxy**

An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may prescribe or accept and: (a) in the case of an individual shall be signed by the appointor or by his attorney; and (b) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney for or duly authorised officer of the corporation. The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer. The signature on such instrument need not be witnessed.

A member may appoint more than one proxy to attend on the same occasion. A member appointing more than one proxy must specify the shares in respect of which each party is entitled to vote. If a member appoints more than one proxy in respect of the same shares one of the appointments will be treated as invalid. Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or any adjournment of it in respect of some or all of the shares held by him.

**73. Delivery of form of proxy**

73.1. An instrument appointing a proxy (together with any evidence of authority required by the Directors pursuant to the immediately preceding Article) must be delivered to such place or one of such places (if any) as may be specified for that purpose in, or by way of note to, or in any documents accompanying, the notice convening the meeting or any notice of any adjournment (or, if no place is so specified, to the Transfer Office) not less than forty eight hours before the time appointed for the holding of the meeting or adjourned meeting at which the person proposes to vote or in the case of a poll taken more than forty eight hours after it was demanded, be deposited as aforesaid after the poll has been demanded and not less than twenty four hours before the time appointed for taking the poll or where a poll is not taken forthwith but is taken not more than forty eight hours after it was demanded be delivered at the meeting to the chairman or to the secretary or to a Director. (Calculation of any such period shall take no account of any part of a day that is not a working day (as defined in the Statutes)). Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require to be delivered in relation to any subsequent meetings to which it relates. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date stated in it as the date of its execution except a power of attorney containing a power to act and vote for a member at meetings of the Company, and such a power, if once duly intimated to the Company, shall not require to be again deposited at the Transfer Office of the Company.

73.2. The board may decide, either generally or in any particular case, to treat an instrument of proxy or any of the documents required under these Articles as properly deposited for the purposes of these Articles if a copy of the instrument or other document is delivered by any electronic means, in any case, to an address specified for the receipt of such documents and appointments in electronic form in the notice conveying the message or in any instrument of proxy sent out by the Company in relation to the meeting or at such other address as is agreed by the board from time to time. This power is subject to any limitations, restrictions or conditions that the board may decide. Any requirements of these Articles which are inconsistent with this method of appointment shall not apply to appointments under this power. The board can require such evidence as it thinks appropriate to show that the proxy appointment is genuine.

**74. Issue of forms of proxy**

Subject to the provisions of the Statutes, the Directors may, if they think fit, at the expense of the Company, issue forms of proxy for use by the members with or without prepaid postage and with or without inserting the names of any Directors or any other person as proxies.

**75. Rights of proxy**

An instrument appointing a proxy shall be deemed to include the right to speak at the meeting, to vote on a show of hands, to demand or join in demanding a poll (and for the purposes of these Articles a demand for a poll made by a person as a proxy for a member or as the duly authorised representative of a corporate member shall be the same as a demand made by the member) and shall be deemed to confer authority to vote on any resolution put to the meeting for which it is given as the proxy thinks fit. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

**76. Validity of proxy votes**

A vote cast by proxy shall not be invalidated by the previous death or insanity of his principal or by the revocation of the instrument of proxy or of the authority under which the instrument was executed provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Transfer Office or such other place (if any) as is specified for the delivery of instruments of proxy in accordance with these Articles prior to forty eight hours before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at, or on the same day as, the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

### **CORPORATIONS ACTING BY REPRESENTATIVES**

**77. Authority of representatives**

77.1. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person or persons as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The persons so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if they were

individual members of the Company and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person or persons so authorised are present thereat. For the purpose of this Article the expression "corporation" shall include a company whether incorporated in the United Kingdom or overseas.

- 77.2. A resolution authorising a person or persons to act as a representative of a corporation shall not be effective for the purposes of any meeting unless a copy or extract of such resolution, certified as a true copy or extract by a director or secretary or member of the governing body of the corporation concerned, has been delivered prior to the time fixed for the commencement of the meeting to a Director or the Secretary of the Company.

## **DIRECTORS**

### **78. Limits on the number of directors**

Subject as hereinafter provided the Directors shall not be less than two in number. The first Directors shall be appointed in writing by the subscribers to the Memorandum of Association of the Company. The Company may by Ordinary Resolution from time to time vary the minimum or maximum number of Directors.

### **79. Director need not be a member**

A Director shall not be required to hold any shares of the Company by way of qualification for office. A Director who is not a member of the Company shall nevertheless be entitled to receive notice of and attend and speak at General Meetings.

### **80. Directors' fees**

The aggregate ordinary remuneration of the Directors for acting as such shall not exceed £100,000 per annum or such other sum as may from time to time be determined by the Company in General Meeting and shall be divisible among the Directors as they may by resolution agree or, failing agreement, equally except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of the remuneration related to the period during which he has held office.

### **81. Directors may be paid expenses**

The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee or General Meetings or separate meetings of the holders of any class of shares otherwise in or about the business of the Company.

### **82. Additional remuneration of Directors**

Any Director who is appointed to any executive office (including for this purpose the office of Chairman or Deputy Chairman or Vice-Chairman whether or not such office is held in an executive capacity) or who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a

Director or who makes any special exertions in going or residing abroad or otherwise, in or about the business of the Company, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine and such remuneration may at the discretion of the Directors be either in addition to or in substitution for all or any part of any other remuneration to which such Director may be entitled under these Articles.

83.

**83.1. Retirement and other benefits**

Without prejudice to the general power of the Directors under these Articles to exercise on behalf of the Company (by establishment or maintenance of schemes or otherwise) all the powers of the Company to give or procure the giving of pensions or other retirement, superannuation, death or disability benefits, annuities or other allowances, emoluments or benefits to or for the benefit of any person, and without restricting the generality of their other powers, the Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits, annuities or other allowances, emoluments or benefits to any Director or ex-Director, secretary or ex-secretary of the Company or of any company which is a subsidiary of the Company or is allied to or associated with the Company or any such subsidiary or of any predecessor in business of the Company or any other company as aforesaid and to the husbands, wives, widowers, children, families, dependants and personal representatives of any such Director, ex-Director, officer or ex-officer and for the purpose of providing any such pensions or other benefits to establish or contribute to any trust, scheme, association, arrangement or fund or to pay premiums, and shall have power to establish trusts, schemes, associations, arrangements or funds considered to be for the benefit of any such persons aforesaid. A Director, ex-Director, secretary or ex-secretary shall not be accountable to the Company or the members for any such pension, allowance or other benefit and the receipt of the same shall not disqualify any person from being or becoming a Director of the Company.

**83.2. Insurance**

Without prejudice to the provisions of Article 152 the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees, servants or agents of the Company, or of any other company which is or was at any time its holding company or parent undertaking or in which the Company or such holding company or parent undertaking or any of the predecessors of the Company or such holding company or parent undertaking has or had at any time any interest whether direct or indirect or which is or was at any time a subsidiary of the Company or of any such holding company or parent undertaking or which is or was at any time in any way whatsoever allied to or associated with the Company or with any such holding company or parent undertaking or subsidiary or subsidiary undertaking or in which any subsidiary or allied or associated company is or was at any time interested, whether as a Shareholder or otherwise and whether directly or indirectly, or of any predecessor in business of the Company or of any subsidiary or subsidiary undertaking of the Company or of any such other company or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of

any retirements benefit scheme or employees' share scheme pension fund in which any employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or retirements benefit scheme or employees' share scheme: for the purposes of this Article "holding company" and "subsidiary undertaking" shall have the same meanings as in the Act.

84.

**84.1. Directors' interests**

Subject to the provisions of the Statutes, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director or alternate Director may be a party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and (in addition to any other remuneration provided for, by or pursuant to any other Article) be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (unless otherwise agreed) the Director may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest, remuneration, profits or advantages.

**84.2. Appointments with other companies**

Subject to the provisions of the Statutes, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director of the Company may be or become a director or other officer of, or employed by, any party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, and (unless otherwise agreed) shall not be accountable to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of, or from his interest in, such other company nor shall any such transaction or arrangement be avoided on the ground of such interest, remuneration, profit or other benefit. The Directors may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them to be directors, officers or servants of such other company, or voting or providing for the payment of remuneration to the directors, officers or servants of such other company.

85.

**85.1. Executive office**



The Directors may from time to time appoint one or more of their body to be the holder of any executive office or make any appointment of them of a Director conditional upon his accepting any executive office (including, where considered appropriate, the office of Chairman, Deputy Chairman or Vice-Chairman, Managing, Joint Managing, Deputy or Assistant Managing Director or Chief, Deputy Chief or Assistant Chief Executive) on such terms and for such period as they may subject to the provisions of the Statutes) determine and without prejudice to the terms of any contract entered into any particular case, may at any time revoke any such appointment.

**85.2. When termination of appointment automatic**

The appointment of any Director to any of the executive offices specifically mentioned in paragraph 85.1 above shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

**85.3. When termination of appointment not automatic**

The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise in which event the termination of his office if he ceases to be a Director shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

**86. Delegation of powers to individual Directors**

The Directors may entrust to and confer upon any Director any of the powers exercisable by them as Directors 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.

**APPOINTMENT AND RETIREMENT OF DIRECTORS**

**87. Disqualification of a Director**

The office of a Director shall be vacated in any of the following events, namely:-

- 87.1. if pursuant to any provisions of the Statutes he is removed or prohibited from being a Director;
- 87.2. if he shall resign by writing under his hand left at the Office or sent to an address specified by the Company for the purposes of communication by electronic means or if he shall tender his resignation at a meeting of the board and the Directors shall resolve to accept the same;
- 87.3. if he shall have a bankruptcy order made against him or shall compound with his creditors generally;

- 87.4. if he shall become of unsound mind or otherwise incapax;
- 87.5. if he shall be absent from meetings of the Directors for six months without leave and his alternate Director (if any) shall not during such period have attended in his stead and Directors shall resolve that his office be vacated;
- 87.6. if he shall be removed from office by notice in writing served upon him signed by all his co-Directors, but so that in the case of a Director holding an executive office which automatically determines on his ceasing to be a Director such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages in respect of the consequent termination of his executive office.

**88. Number of Directors to retire by rotation**

At the first Annual General Meeting of the Company all the Directors shall retire from office and at each succeeding Annual General Meeting any Director appointed to fill a casual vacancy or bound to retire under Article 87 and one-third of the other Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to, but (except where less than three Directors are subject to retirement by rotation) not greater than, one-third) shall retire from office.

**89. Identity of Directors to retire**

The Directors to retire by rotation 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 of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board of Directors of the Company as at the date of the notice convening the Annual General Meeting and no Director shall be required to retire or be relieved from retiring by reason for any change in the number or identity of the Directors after the date of such notice but before the close of the meeting. A retiring Director shall be eligible for re-election.

**90. Filing rotation vacancies**

The Company at the meeting at which a Director retires under any provision of these Articles may (subject to Article 94) by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without break.

**91. Resolution to appoint Directors**

A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has

first been 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 this appointment; and any resolution moved in contravention of this provision shall be void.

92. **Eligibility for appointment**

No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than seven nor more than thirty five days before the day appointed for the meeting there shall have been left at the Office, addressed to the Secretary, notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given for his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected. The notice to be lodged by the proposing member shall state the particulars of the nominee which would if he were appointed be required to be included in the register of Directors maintained by the Company in terms of the Act.

93. **Powers of the Company to remove Directors**

The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office notwithstanding any provision of these Articles or of any agreement between the Company and such Director (but without prejudice to any claim he may have for damages for breach of any such agreement) and by Ordinary Resolution appoint another person in place of a Director so removed from office and any person so appointed shall be treated for the purpose of determining the same at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled by the Directors as a casual vacancy.

94. **Appointment by Ordinary Resolution or by Directors**

The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without Prejudice and in addition thereto, the Directors shall have power at any time so to do, 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. Any person so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

#### **ALTERNATE DIRECTORS**

95.

95.1. **Power to appoint alternate Directors**

Any Director (other than an alternate director) may at any time by writing under his hand and deposited at the Office or sent to an address specified by the Company for

the purposes of communication by electronic means, or received by the Secretary or delivered at a meeting of the Directors, appoint any person (including another Director) to be his alternate Director and may in like manner at any time terminate such appointment. If such alternate Director is not another Director, such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved. An alternate Director shall during his appointment be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and shall not be deemed to be an agent of his appointer. Any of the Directors may appoint the same alternate Director. An alternate Director shall not be taken into account in reckoning the minimum and maximum number of Directors fixed by or in accordance with these Articles.

**95.2. Termination**

The appointment of an alternate Director shall automatically determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointer ceases to be a Director or if the approval of the Directors to his appointment is withdrawn, provided that if at any meeting any Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force as though he had not retired. An alternate Director may be writing under his hand left at the Office resign such appointment.

**95.3. Alternate Director to receive notices**

An alternate Director shall (except when absent from the United Kingdom) be entitled, if his appointer so requests, to receive notice of meetings of the Directors to the same extent as the Director appointing him and shall be entitled to attend and vote as a Director and be counted for the purposes of a quorum at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all functions, powers and duties of his appointer as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director. If he shall himself be a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointer is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing to the Directors shall be as effective as the signature of his appointer. To such extent as the Directors may from time to time determine in relation to any committees formed under Article 104 the foregoing sentences shall also apply mutatis mutandis to any meeting of any such committee of which his appointer is a member. An alternate Director shall not (save as foresaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.

**95.4. Alternate Director may be paid expenses**

An alternate Director may be repaid expenses, and shall be entitled to be indemnified, by the Company to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company any remuneration except only such proportion (if any) of the remuneration otherwise payable to this appointer as such appointer may by notice in writing to the Company from time to

time direct. Subject to Article 84, an alternate Director shall be entitled to contract with and be interested in and benefit from contracts, arrangements or transactions to which the Company is a party.

## PROCEEDINGS OF DIRECTORS

### 96. Meetings of Directors

Subject to the provisions of these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman 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 his appointor in addition to his own vote. 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 meeting of the Directors shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent to him by electronic means or in writing at his last known address or any other address given by him to the Company for this purpose. A Director may waive notice of any meeting either prospectively or retrospectively.

### 97. Authority to vote

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 that 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 produced at the meeting at which the same is to be used and be left with the Secretary for retention.

### 98. Quorum

98.1. 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. An alternate Director who is not himself a director shall, if his appointor is not present, be counted in the quorum. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

98.2. Any Director (including an alternate Director) or member of a committee of Directors may participate in a meeting of the Directors or of the committee by means of video-conference, conference telephone or similar communications equipment whereby all persons participating in a meeting can hear and speak to each other, and participation in a meeting in this manner shall be deemed to constitute the presence of such Director or such member at such meeting.

### 99. Declaration of Directors' interests in contracts

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract (or any transaction or arrangement whether or not constituting a contract) with the Company shall declare the nature of his interest in accordance with the provisions of the Statutes.

100.

**100.1. Directors' power to vote**

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

**100.2. Where interest does not prevent voting**

Subject to the provisions of the Statutes and the rules of any recognised investment exchange on which any of the Company's shares are traded a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any of the following matters, namely:-

- (i) the giving of any security 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 subsidiary undertakings;
- (ii) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligations of the Company or any of its subsidiaries or subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him as defined in the Act) is not a holder of or beneficially interested in 1 per cent or more of the issued shares of any class of any 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 purposes of this Article to be a material interest in all circumstances);
- (v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits' scheme or employees' share

scheme (as defined in the Act) under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes, or by the Company in General Meeting and which, in relation to an employees' share scheme, does not accord to any Director as such any privilege or advantage not generally accorded to those employees who participate in such scheme;

- (vi) any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any Directors of the Company or for persons who include Directors of the Company provided that for the purposes of this sub-paragraph (vi) insurance shall mean only insurance against liability incurred by a Director in respect of any act or omission by him as referred to in Article 83.2 or any other insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any groups or persons consisting of or including Directors of the Company.

**100.3. Consideration of appointment of two or more Directors**

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned if not debarred from voting under paragraph 100.2 or for any other reason shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

**100.4. Materiality of Directors' interests**

If any question shall arise at any meetings as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting (or, if the Director concerned is the Chairman of the meeting, to the other directors of the meeting) and his ruling in relation to any other Director other than himself (or, as the case may be, the ruling of the majority of the other Directors in relation to the Chairman) shall be final and conclusive except in a case where the nature or extent of the interests of such Director has not been fairly disclosed.

**100.5. Interests of alternate Directors**

In the case of an alternate Director, the interest of his appointer shall be treated as an interest of the alternate Director in addition to any interest which the alternate Director may have.

**100.6. Power to authorise conflicts of interest**

Notwithstanding any other provision of these Articles, the directors shall be empowered for the purposes of section 175 of the Act to authorise any director to be in a situation where that director has or can have a direct or indirect or duty that

conflicts or may possibly conflict with the interests of the Company. The authorisation may be on such terms as are determined by the directors and may be subject to conditions. A director seeking such authorisation shall not be entitled to vote or be counted in the quorum in relation to any meeting of the directors at which the matter is considered.

101. **Power of Directors if number falls below minimum**

The continuing Directors may act notwithstanding any vacancies in their number, but if and so long as the number of Directors is reduced below the number fixed by or in accordance with these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of filling such vacancies 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.

102. **Chairman**

The Directors may elect a Chairman (or make any appointment by them of a Director conditional upon his becoming the Chairman) and one or more Deputy Chairman, and one or more Vice-Chairman and determine the period for which each is to hold office. The Chairman or, in his absence, one of any Deputy Chairman, or in his absence one of any Vice-Chairman shall preside at meetings of the Directors, but if no Chairman or Deputy Chairman or Vice-Chairman shall have been appointed, or if at any meeting none of them 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. If at any time there is more than one Deputy Chairman or Vice-Chairman the right to preside at a meeting of Directors shall be determined as between the Deputy Chairman or Vice-Chairman present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.

103. **Resolutions in writing**

A Resolution in writing signed by all the Directors and all the alternate Directors (if any) whose appointers are temporarily unable to act through ill health or disability (provided that their number is sufficient to constitute a quorum) or by all the members of a committee formed under the next following Article for the time being shall be as valid and effective as a resolution passed at a meeting of the Directors or, as the case may be, of such committee duly convened and held and may consist of several documents in the like form, each signed by one or more of the Directors or the alternate Directors or members of the committee concerned. Where a resolution is signed by an alternate Director it need not be executed by his appointor and, if it is executed by a Director who has appointed an alternate, it need not also be executed by the alternate Director in his capacity. For the purposes of this Article any signature may be affixed to a facsimile or electronic copy of the resolution and any signed resolution shall be valid if the Company receives the original or a copy by facsimile or by electronic communication to an address specified by the Company for the purposes of communication by electronic means.

104. **Committee of Directors**



The Directors may delegate any of their powers or discretions to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. To the extent that any such power or discretion is so delegated any reference in these Articles to the exercise by the Directors of such power of discretion shall be read and construed as if it were a reference to the exercise by any such committee. Any committee so formed shall be in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that (i) the number of co-opted members shall be less than one half of the total number of members of the committee and (ii) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors or alternates of Directors. The Directors may at any time dissolve or revoke any delegation made to any committee established under this Article.

105. **Proceedings of Committees**

The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article save that the chairman of the meeting shall not have a second or casting vote at any meeting where only two members of such committee are present or at which only two members of such committee are competent to vote on the issue in question.

106. **Validity of proceedings**

All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment or continuance in office of any such Directors (or their alternates), or member of the committee, or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director (or alternate Director) or member of the committee and had been entitled to vote.

## **BORROWING POWERS**

107.

107.1. **General power to borrow**

Subject as hereinafter provided the Directors may exercise all the powers of the Company to borrow money, and to pledge or grant any security over all or part of its undertakings, property and uncalled capital, and, subject to the Statutes, to issue debentures, debenture stock and other securities whether terminable, redeemable or perpetual and whether outright or as collateral security for any guarantee, debt, liability or obligation of the Company or of any third party.

107.2. **Borrowing Restrictions**

The Directors shall restrict the moneys borrowed by the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries and subsidiary undertakings (if any) so as to secure (so far, as regards subsidiaries and subsidiary undertakings, as by such exercise they can secure) that the aggregate principal amount (including any fixed or minimum premium payable on final repayment) at any one time outstanding in respect of all moneys borrowed (whether secured or not) by the Company and its subsidiaries and subsidiary undertakings (if any) for the time being, but exclusive of any moneys borrowed by the Company from and for the time being owing to any subsidiary and subsidiary undertakings or by any subsidiary and subsidiary undertakings from and for the time being owing to the Company or another subsidiary and subsidiary undertakings, shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to two times the Adjusted Total of Capital and Reserves or, until such time as accounts of the Company shall be made up and audited £2,000,000.

### 107.3. **Definitions**

For the purposes of this Article:-

- (i) the expression “the Adjusted Total of Capital and Reserves” shall mean at the relevant time the aggregate (as certified or reported on by the Auditors whose certificate or report shall be conclusive) of:-
  - (a) the amount for the time being paid up or credited as paid up on the share capital of the Company; and
  - (b) the total of the amounts standing to the credit and debit of the capital and revenue reserves (including any share premium account, capital redemption reserve and any credit balance on profit and loss account) all as shown in the latest published audited balance sheet of the Company (or in the event of the Company having any subsidiaries, as shown in a consolidation of the latest published audited balance sheet of the Company and its subsidiaries), but after:-
    - (1) making such adjustments as may be necessary or appropriate to reflect any variations since the date of the balance sheet in interests in any subsidiary or in such paid up share capital or reserves and so that for this purpose if the Company proposes to issue or has issued any shares for cash and the issue has been underwritten then the amount (including any premium) of the subscription moneys so underwritten (not being moneys payable later than three months after the date the underwriting becomes unconditional) shall be deemed to have been paid up at the date when the underwriting becomes unconditional;
    - (2) excluding any sums attributable to outside interests in any subsidiary of the Company and any sums set aside for deferred taxation (including such provision as the Auditors

shall consider appropriate to take account of contingent liabilities to taxation (if any) in respect of chargeable gains calculated by reference to the unrealised appreciation of assets);

- (3) deducting any distributions (other than distributions to the Company or to a subsidiary) out of profits accrued prior to the date of the aforesaid balance sheet and not provided for therein;
  - (4) deducting any debit balance on profit and loss account and any amount referable to goodwill (arising other than on consolidation) or any intangible asset; and
  - (5) making such other adjustments (if any) as the Auditors may consider appropriate to provide for the carrying into effect of the transaction for the purposes of which the Adjusted Total of Capital and Reserves requires to be calculated or otherwise.
- (ii) "money borrowed" shall be deemed to include the following except in so far as otherwise taken into account:-
- (a) the principal amount for the time being outstanding and owing by the Company or any subsidiary of it in respect of any debenture (as defined in the Act) whether issued for cash or otherwise together with any fixed or minimum premium payable thereon on final repayment but excluding any debenture the beneficial interest in which is owned by the Company or a subsidiary;
  - (b) the nominal amount of any share capital and the principal amount of any borrowed money and other debts or obligations of any person or body whether corporate or unincorporated, together in each case with any fixed or minimum premium payable on final repayment, the repayment of which is guaranteed or secured by the Company or a subsidiary but excluding any such share capital which is for the time being beneficially owed by, and any such borrowed money or other debts or obligations which are for the time being owing to or by, the Company or a subsidiary; and
  - (c) the nominal amount of any share capital (not being equity share capital) of a subsidiary owned otherwise than by the Company or another subsidiary;

but shall not include:-

- (d) a proportion of the borrowings of any partly owned subsidiary (but only to the extent that an amount equivalent to such proportion exceeds sums borrowed (if any) from such partly owned subsidiary by the Company or another subsidiary) such proportion being that which the equity share capital which is not for the time being

beneficially owned directly or indirectly by the Company bears to the whole of the equity share capital of such partly owned subsidiary; and

- (e) amounts borrowed for the purpose of repaying (and intended to be so applied within six months of being first borrowed) the whole or any part of the borrowings or other indebtedness of the Company or a subsidiary (other than from the Company or a subsidiary) for the time being outstanding (including any fixed or minimum premium payable on repayment) pending their application for such purpose within such period.

**107.4. Currency Conversion**

For the purpose of calculating the amount of the Adjusted Total of Capital and Reserves any amount expressed in a currency other than Sterling shall be converted into Sterling at the rate of exchange used for the purposes of the then latest audited accounts and for the purposes of calculating the amount of money borrowed any amount so expressed and outstanding in any currency other than Sterling shall be converted into Sterling at the latest establishable rate of exchange ruling in London prior to the date on which the calculation falls to be made.

**107.5. Breach of borrowing limits due to Exchange Rates**

The Company shall not be in breach of the borrowing limit under this Article by reason of the limit being exceeded as a result only of any fluctuation in rates of exchange provided that within six months of any such fluctuations which would but for this provision have caused such a breach the aggregate principal amount as aforesaid is reduced to an amount not exceeding the said limit.

**107.6. Obligations of Third Parties**

No person dealing with the Company or any subsidiary shall by reason of the foregoing provisions be concerned to see or inquire whether the said limits are observed and no debt incurred or security given in excess of such limits shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or security given express notice that the said limits had been or would thereby be exceeded. A certificate by two Directors that the amount of any money borrowed is within the said limits shall be conclusive evidence in any question between any such person and the Company.

**GENERAL POWERS OF DIRECTORS**

**108. Business to be managed by the Directors**

The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes 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 Statutes and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any

prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article or by resolution of the Company and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.

109. **Local boards**

The Directors may make such arrangements as they think fit for the management and transaction of the Company's affairs in any specified locality whether in the United Kingdom or elsewhere and without prejudice to the generality of the foregoing may at any time and from time to time establish any regional, divisional or local boards, committees or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any one or more of the Directors or any other person or persons to be members of such regional, divisional or local boards or committees, or any other managers or agents, and may fix their remuneration, and may delegate to any regional, divisional or local board or committee, manager or agent any of the powers, authorities and discretions vested in the Directors with power to sub-delegate and may authorise the members of any regional, divisional or local boards or committees or any of them, to fill any vacancies therein, and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, may fix the quorum of the said regional, divisional or local boards or committees, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

110. **Powers of Attorney**

The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such 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 sub-delegate all or any of the powers, authorities and discretions vested in him. The Directors may delegate all or any of their powers under this Article.

111. **Official Seal for use abroad**

The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

112. **Overseas and local registers**

Subject to and to the extent permitted by the Statutes, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory outside the United Kingdom a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such register.

113. **Cheques, etc**

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

**SECRETARY**114. **Secretary**

The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit one or more Deputy Secretaries and Assistant Secretaries. Anything by the Statutes or by these Articles required or authorised to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any Deputy or Assistant Secretary, or if there is no Deputy or Assistant Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors.

**SEALS**

## 115.

- 115.1. The Directors shall provide for the safe custody of the Seal and any Securities Seal and neither shall be used without the authority of the Directors or a committee authorised by the Directors in that behalf. Any such authority to use the Seal or the Securities Seal may be of a general nature and need not apply only to specific documents or transactions.
- 115.2. Every deed, contract, document, instrument or other writing to which the Seal shall be affixed shall (except as permitted by Article 13) be signed by a Director or by some other person appointed by the Directors for the purpose in the presence of a witness.
- 115.3. The Securities Seal shall be used only for the sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed or counter-signed.

**AUTHENTICATION OF DOCUMENTS**116. **Authentication of Documents**

Any Director or Secretary or any person appointed by the Directors or by a duly authorised committee 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, 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; and where any books, records, documents or accounts are elsewhere than at the Office the officer, servant or agent of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or of the Directors or any committee 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 minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

## **DIVIDENDS**

### **117. Declaration of Dividends**

The Company may by Ordinary Resolution declare dividends but no dividend shall be payable except out of the profits of the Company available for distribution under the provisions of the Statutes and these Articles, or in excess of the amount recommended by the Directors. Unless and to the extent that the rights attached to any shares or the terms of issue thereof or these Articles otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. If, however, any share is issued in terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

### **118. Interim Dividends**

If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

### **119. Acquired Property**

Subject to the provisions of the Statutes, where any asset, business or property is bought by, transferred to or vested in 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 and 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.

### **120. Interest not Payable**

No dividend or other money payable on or in respect of a share shall bear interest as against the Company.

**121. Permitted Deductions**

The Directors may deduct from any dividend or other money payable to any member, whether alone or jointly with any other member, on or in respect of a share all sums of money (if any) presently payable by him, whether alone or jointly with any other member, to the Company on account of calls or otherwise in relation to shares of the Company.

**122. Retention of Dividends**

The Directors may retain any dividend or other money payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

**123. Waiver of Dividends**

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

**124. Unclaimed Dividends**

All dividends or other money payable on or in respect of a share unclaimed after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until, subject as provided by these Articles claimed. The payment by the Directors of any unclaimed dividend or other money payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

**125. Forfeiture of Unclaimed Dividends**

Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall, if the Directors so resolve, be forfeited and shall revert to the Company.

**126. Dividends in specie**

The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value of 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 those entitled to participate in the dividend and may vest any such specific assets in trustees as may seem expedient to the Directors.

**127. Procedure for Payment**

Any dividend or other money payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person



entitled thereto, or by direct bank transfer to such bank account as such member or person entitled thereto may direct (or, if two or more persons are registered as joint holders of the shares or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons), or to such person and such address as such member or person or persons may be writing direct or as the Directors think fit. Every such cheque or warrant shall be made payable to or to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn 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. If on three or more consecutive occasions cheques or warrants in payment of dividends or other money payable on or in respect of any share have been sent through the post in accordance with the provisions of this Article but have been returned undelivered or left uncashed during the periods for which the same are valid, the Company need not thereafter despatch further cheques or warrants in payment of dividends or other money payable on or in respect of the share in question until the member or other person entitled thereto shall have communicated with the Company and supplied in writing to the Transfer Office an address for the purpose. In addition, any such dividend or other money may be paid by any bank or other funds' transfer system or by such other means and to or through such person as the member (or, if two or more persons are registered as joint holders of the share are entitled thereto in consequence of a transmission event, any one of such persons) may direct in writing and the Company shall have no responsibility for any such dividend and other money lost or delayed in the course of any such transfer or when it has acted on any such direction.

128. **Receipts where Joint Holders**

If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of a holder, any one of them may give effectual receipts for any dividend or other money payable or property distributable on or in respect of the share.

129. **Scrip Dividends**

Subject to approval by Ordinary Resolution of the Company, the Directors may, in respect of any dividend declared or proposed to be declared at any time during the period specified in such resolution, determine and announce that shareholders will be entitled to elect to receive in lieu of any cash dividend (or part thereof) an allotment of additional shares credited as fully paid. Any such announcement shall, where practicable, be made prior to or contemporaneously with the announcement of the dividend in question and any related information as to the Company's profits for such financial period or part thereof. In any such case the following provisions shall apply:-

- 129.1. the basis of allotment shall be determined by the Directors so that, as nearly as may be considered convenient, the value calculated by reference to the average quotations of the additional shares (including any fractional entitlement) to be allotted in lieu of any amount of dividend shall equal such amount. For such purpose the "average quotation" of a share shall be the average of the middle market quotations of shares of the same class on the London Stock Exchange, as derived from the Daily Official List of the London Stock Exchange, on each of the first five consecutive business days on which such shares are quoted ex the relevant

dividend. A certificate or report by the Auditors as to the amount of the average quotation in respect of any dividend shall be conclusive evidence of that amount;

- 129.2. the Directors shall, after determining the basis of allotment, give notice in writing to the members of the right of the election accorded to them and shall send with or following such notice forms of election specifying the procedure to be followed and the place at which the latest date and time by which duly completed forms of election may be lodged in order to be effective;
- 129.3. the dividend (or that part of the dividend in respect of which a right of election had been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised (the "elected shares"), and in lieu thereof additional shares shall be allotted to the holders of the elected shares on the basis of allotment as aforesaid and for such purpose the Directors shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or profit and loss account as the Directors may determine a sum equal to the aggregate nominal amount of such additional shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis;
- 129.4. the additional shares so allotted shall rank *pari passu* in all respect with the fully paid shares then in issue, save only as regards participation in the relevant dividend (or share election in lieu);
- 129.5. the Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter into, on behalf of all the members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto any agreement made under such authority shall be effective and binding on all concerned;
- 129.6. notwithstanding the foregoing, the Directors may at any time prior to payment of the relevant dividend determine, if it appears to them desirable to do so because of a change in circumstances, that the dividend shall be payable wholly or in cash after all and if they so determine then all elections made shall be disregarded. The dividend shall be payable wholly in cash or if the ordinary share capital of the Company ceases to be listed on the Official List of the London Stock Exchange or if permission lapses or is withdrawn for the ordinary share capital to be dealt with on the Alternative Investment Market of the London Stock Exchange at any time prior to the due date of issue of the additional shares or if the listing is suspended and not reinstated by the date immediately preceding the due date of such issue; and
- 129.7. the Directors may on occasion determine that rights of election shall not be made available to any members with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of

an offer of rights of election would or might be unlawful and in such event the provisions aforesaid shall be read and construed subject to such determination.

#### **RECORD DATE**

130. **Record Date**

Notwithstanding any other provision of these Articles but subject always to the Act, the Company or the Directors may by resolution specify any date ("the Record Date") as the date at the close of business (or such other time as the Directors 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 or made 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.

#### **REVENUE RESERVES**

131. **Sums Carried to Reserves**

The Directors may from time to time before recommending any dividend whether preferential or otherwise set aside out of the profits of the Company and carry to reserve such items as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide any such reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it prudent not to distribute. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Statutes.

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

132. **Capitalisation of Profits and Reserves**

The Company may, upon the recommendation of the Directors, by Ordinary Resolution and subject as hereinafter provided, resolve to capitalise any part of the undivided profits of the Company (whether or not the same are available for distribution) or any part of the sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or otherwise representing retained earnings or standing to the credit of revenue account, provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend, and authorise the Directors to appropriate the profits or sum resolved to be capitalised to the Ordinary Shareholders in the proportions in which such profits or sum would have been divisible amongst them had the same been applied or been applicable in paying dividends on the Ordinary Shares and to apply such profits or sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by them respectively or in paying up in full shares or debentures or other securities or

obligations of the Company of a nominal amount equal to such profits or sum, such shares or debentures or other securities or obligations to be allotted and distributed credited as fully paid up to and amongst them in the proportion aforesaid or partly in one way or partly in the other. Provided that any share premium account and capital redemption reserve and any profits which are not available for distribution may only be applied hereunder in the paying up of shares to be allotted as fully paid up.

133. **Further Provisions**

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 all allotments and issues of fully paid shares or debentures or other securities (if any) and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provisions as they think fit for the case of shares or debentures or other securities becoming distributable in fractions (including provisions whereby and fractional entitlements which would arise on the basis aforesaid are disregarded or the benefit thereof accrues to the Company rather than to the members concerned) and also to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and for matters incidental thereto and any agreement made under any such authority shall be effective and binding on all concerned.

### **MINUTES AND BOOKS**

134. **Keeping of Minutes and Books**

The Directors shall cause Minutes to be made in books to be provided for the purpose:-

- 134.1. of all appointments of officers made by the Directors;
- 134.2. of the names of the Directors or their alternates and any other persons present at each meeting of Directors and of any committee formed pursuant to these Articles; and
- 134.3. 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 formed pursuant to these Articles.

Any such Minute shall be conclusive evidence of any such proceedings if it purports to be signed by the chairman of the meeting at which the proceedings were had, or by the chairman of the next succeeding meeting.

135. **Safekeeping of Minutes and Books**

Any register, index, minute book, book of account or other book required by these Articles or the Statutes 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 falsification and for facilitating its discovery.

## ACCOUNTS

### 136. **Right to Inspect Accounts**

Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or, subject to the Statutes, at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors. No member, (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors or by an Ordinary Resolution of the Company.

### 137. **Preparation and Laying of Accounts**

The Directors shall from time to time in accordance with the provisions of the Statutes cause to be prepared and to be laid before a General Meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.

### 138. **Accounts to be sent to Members**

A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be attached or annexed thereto) and of the Directors' and Auditors' reports or (where permitted by the Statutes and/or any applicable regulations and if the Directors so resolve from time to time) a copy of a summary financial statement instead of such balance sheet, profit and loss account and reports shall not less than twenty one days before the date of the meeting be sent by mail or by electronic communication in accordance with the provisions of the Statutes, to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Statutes or of these Articles. Provided that this Article shall not require a copy of these documents or this statement to be sent to more than one of joint holders or to any person who is not entitled to receive notices of meetings and of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents or this statement has not been sent shall be entitled to receive a copy free of charge on application at the Office. Whenever a listing or quotation on any stock exchange for all or any of the shares or debentures or other securities of the Company shall for the time being be in force, there shall be forwarded to the appropriate officer of such stock exchange such number of copies of such documents and/or statements as may for the time being be required under its regulation or practice. The accidental omission to send any document required to be sent to any person under this Article 138 or the non-receipt of any document by any person entitled to receive it does not invalidate any such document or the proceedings at any general meeting.

## AUDITORS

### 139. **Validity of Acts of Auditors**

Subject to the provisions of the Statutes, 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 his appointment or subsequently be deemed disqualified.

**140. Rights of Auditors**

The Auditor shall be entitled to attend any General Meeting and to receive all notices or 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 as Auditor.

**NOTICES****141.****141.1. Notice in Writing**

Any notice to be given to or by any person pursuant to these Clauses shall be in writing or given by electronic means except that a notice calling a meeting of the Directors may be given by word of mouth.

**141.2. Method of Giving Written Notice to Members**

Any written notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices or by delivering it to such address addressed as aforesaid. In the case of a member registered on a branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty four hours (or where second class mail is employed, forty eight hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted. Any notice or document not sent by post but left at a registered address in the United Kingdom shall be deemed to have been served or delivered on the day it was so left.

**142. Service of Notices and Documents by Electronic Means**

142.1. The Company is generally and unconditionally authorised to use electronic communications with its shareholders and in particular to send or supply documents or information to its shareholders by making them available on a website. Accordingly, the Company may subject to the provisions of the Act give or send to any members any notice or other document (excluding a share certificate) by electronic communication where:

- 142.1.1. the Company and that member have agreed to the use of electronic communication for sending copies of documents to the members and:
  - 142.1.1.1. the documents are documents to which the agreement applies; and
  - 142.1.1.2. copies of the documents are sent using electronic communication to such address (or to one of such addresses if more than one) as may for the time being be notified by the member to the Company for that purpose; or
- 142.1.2. the Company and that member have agreed to that member having access to documents on a website (instead of the documents being sent to him) and:
  - 142.1.2.1. the documents are documents to which the agreement applies; and
  - 142.1.2.2. the text and images in the documents can be (as appropriate) read or seen using the naked eye; and
  - 142.1.2.3. the member is notified in a manner for the time being agreed for the purpose between the member and the Company of:
    - 142.1.2.3.1. the presence of the documents on a website;
    - 142.1.2.3.2. the address of that website;
    - 142.1.2.3.3. the place on that website where the documents may be accessed and how they may be accessed; and
    - 142.1.2.3.4. the period of time for which the documents will be available on the website, which must be the period specified in any applicable provision of the Companies Acts or, if there is no such period specified, for a period of not less than twenty eight days from the date of notification or, if later, until the conclusion of any general meeting to which the documents relate; and
  - 142.1.2.4. the documents are published on that website throughout the period referred to in 142.1.2.3.4 above provided that, of the documents are published on that website for a part but not all of such period, the documents will be treated as published throughout that period if the failure to

publish those documents throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the company to prevent or avoid.

A member of the Company which is itself a company shall be deemed to have agreed that the Company may send a notice or other document in accordance with paragraph (i) above if that member is deemed by a provision in the Companies Acts to have agreed that the notice or document may be so sent.

Where a notice or other document is given or sent by electronic communication, it shall be deemed to have been given or sent at the expiration of two hours from the time it was sent to an address supplied by the member or of notification to the member of its publication on a website. Proof that a notice or other document given or sent by electronic communication was given or sent in accordance with current guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice or document was sent or given.

Save where prohibited by law, in any case where (but for this Article 142) the agreement or consent of all the joint holders of a share is required for notice to be served, or documents or information to be sent, in a particular manner, then the agreement or consent of that one of the joint holders of the share whose name stands first in the Register of Members in respect of the share shall be sufficient agreement or consent for the purpose in question.

**143. Notice to Joint Holders**

In respect of joint holdings all notices shall be given to that one of the joint holders whose name stands first in the Register of Members and notice so given shall be sufficient notice to all the joint holders in their capacity as such. For such purposes a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices or an address to receive communications by electronic means shall be disregarded.

**144. Notice to Persons Entitled to Death or Bankruptcy**

A person entitled to a share in consequence of the death or bankruptcy of a member, upon such evidence being produced as may from time to time properly be required by the Directors to show his title to the share and upon supplying an address within the United Kingdom for the service of notices, shall, save as herein otherwise expressly provided, be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy would be entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether



or not the Company have notice of his death or bankruptcy or liquidation be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or joint holder.

145. **Untraced Members**

A member who (having no registered address with the United Kingdom) has not supplied to the Company an address within the United Kingdom or an address at which the Company can communicate with him by electronic means for the service of notices or an address at which electronic communications can be received shall not be entitled to receive notices from the Company. If on three consecutive occasions notices have been sent through the post to any member at his registered address or his address for the service of notices or an address at which electronic communications can be received but have been returned undelivered, or if, after any one such occasion, the Directors or any committee authorised by the Directors in that behalf are of the opinion, after the making of all reasonable enquiries, that any further notices to such member would, if sent as aforesaid, likewise be returned undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company and supplied in writing to the Transfer Office a new registered address or address within the United Kingdom for the service of notices or an address at which electronic communications can be received.

146. **Signatures on Notices**

The signature of any written notice required to be given by the Company may be typed or printed electronically applied or otherwise written.

147. **Sufficient Notice**

Any notice required to be given by the Company to the members or any of them, and not expressly provided for by or pursuant to these Articles, shall be sufficiently given if given by advertisement inserted once in at least one Scottish and one London daily newspaper and it shall be deemed to have been served on the day on which the advertisement appears.

148. **Notices During Disruption of Postal Services**

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

149. **Statutory Requirements**

Nothing in any of the preceding Articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.

150. **Deemed Receipt of Notice**

A member present either in person or by proxy, or in the case of a corporate member by a duly authorised representative, at any meeting of the Company or of the holders of any class of shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

151. **Transmission of Notice**

Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been 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.

**PROVISIONS FOR EMPLOYEES**

152. **Provisions for Employees**

The Directors may by resolution exercise any power conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries or subsidiary undertakings in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

**INDEMNITY**

153. **Indemnity**

Subject to the provisions of the Act the Company may indemnify any director of the Company or any associated company against any liability and may purchase and maintain for any director of the Company or of any associated company insurance against any liability.

**GOVERNING LAW**

154. These Articles shall be governed by and construed in accordance with the law of Scotland and the Company and the members and the directors irrevocably submit to the exclusive jurisdiction of the Scottish Courts.