

Company No 222915

THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

RICARDO PLC

[as adopted by special resolution passed on 29 October 2014]

CONTENTS

PRELIMINARY

- 1 Interpretation
- 2 Table A not to apply

LIMITED LIABILITY

- 3 Limited liability

SHARES

- 4 Allotment
- 5 Power to attach rights
- 6 Redeemable shares
- 7 Variation of rights
- 8 Commission
- 9 Trusts not recognised

SHARE CERTIFICATES

- 10 Right to certificates
- 11 Transfer without a written instrument
- 12 Replacement certificates

LIEN

- 13 Company's lien on shares not fully paid
- 14 Enforcement of lien by sale
- 15 Application of proceeds of sale

CALLS ON SHARES

- 16 Calls
- 17 Power to differentiate
- 18 Interest on calls
- 19 Payment in advance
- 20 Amounts due on allotment or issue treated as calls

FORFEITURE

- 21 Notice if call not paid

- 22 Forfeiture for non-compliance
- 23 Notice after forfeiture
- 24 Disposal of forfeited shares
- 25 Arrears to be paid notwithstanding forfeiture
- 26 Extinction of interest by forfeiture
- 27 Surrender

UNTRACED SHAREHOLDERS

- 28 Power of sale
- 29 Application of proceeds of sale

TRANSFER OF SHARES

- 30 Form of transfer
- 31 Right to refuse registration
- 32 Authorising execution of instrument of transfer
- 33 Fees on registration
- 34 Suspension of registration and closing of register

TRANSMISSION OF SHARES

- 35 On death
- 36 Election of person entitled by transmission
- 37 Rights on transmission

ALTERATION OF SHARE CAPITAL

- 38 Consolidation, sub-division and cancellation
- 39 Fractions
- 40 Reduction of capital
- 41 Purchase of own shares

GENERAL MEETINGS

- 42 Annual general meeting
- 43 General meeting
- 44 Convening of general meetings
- 45 Length and form of notice
- 46 Omission to send notice

47. Special business

PROCEEDINGS AT GENERAL MEETINGS

- 48 Quorum
49 Procedure if quorum not present
50 Chairman
51 Director's right to attend and speak
52 Power to adjourn
53 Notice of adjourned meeting
54 Adjournment to more than one place
55 Business at adjourned meeting
56 Amendment of resolutions
57 Accommodation of members at meeting
58 Security

VOTING

- 59 Method of voting
60 Procedure on a poll
61 Votes of members
62. Restriction on voting rights for unpaid calls etc.
63 Voting by proxy
64 Deposit of proxy
65 When votes by proxy valid though authority revoked

MISCELLANEOUS

- 66 Corporate representative
67 Objections to and error in voting
68 Amendments to resolutions
69 Class meetings
70 Failure to disclose interests in shares

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

- 71 Number of directors
72 Power of the Company to appoint directors

- 73 Power of the board to appoint directors
- 74 Appointment of executive directors
- 75 Eligibility of new directors
- 76 Voting on resolution for appointment
- 77 Annual retirement of directors
- 78 Retirement effective at conclusion of meeting
- 79 Deemed reappointment
- 80 No retirement on account of age
- 81 Removal by ordinary resolution
- 82 Vacation of office by director

ALTERNATE DIRECTORS

- 83 Appointment
- 84 Revocation of appointment
- 85 Participation in board meetings
- 86 Responsibility
- 87 Voting

CHAIRMAN AND OTHER OFFICERS

- 88 Appointment
- 89 Tenure of office
- 90 Honorary president

REMUNERATION, EXPENSES AND PENSIONS

- 91 Directors' fees
- 92 Additional remuneration
- 93 Expenses
- 94 Remuneration and expenses of alternate directors
- 95 Directors' pensions and other benefits
- 96 Establishment of associations and clubs etc.
- 97 Exercise of powers
- 98 Remuneration of executive director

POWERS AND DUTIES OF THE BOARD

- 99 Powers of the board
- 100 Powers of directors being less than minimum required number
- 101 Powers of executive directors
- 102 Delegation to committees
- 103 Local management
- 104 Agents
- 105 Associate directors
- 106 Exercise of voting powers
- 107 Provision for employees
- 108 Registers
- 109 Borrowing powers
- 110 Register of charges
- 111 Directors' interests
- 112 Directors' powers to authorise conflicts of interest
- 113 Directors' interests - general

PROCEEDINGS OF DIRECTORS AND COMMITTEES

- 114 Board meetings
- 115 Notice of board meetings
- 116 Quorum
- 117 Chairman of board
- 118 Voting
- 119 Participation by telephone
- 120 Resolution in writing
- 121 Proceedings of committees
- 122 Minutes of proceedings
- 123 Validity of proceedings of board or committee

SECRETARY AND AUTHENTICATION OF DOCUMENTS

- 124 Secretary
- 125 Authentication of documents

SEALS

-
- 126 Safe custody
 - 127 Application of seals
 - 128 Securities seal
 - 129 Execution under seal
 - 130 Official seal for use abroad

RESERVES

- 131 Reserves

DIVIDENDS AND OTHER PAYMENTS

- 132 Declaration of dividends
- 133 Interim dividends
- 134 Entitlement to dividends
- 135 Revenue account
- 136 Method of payment
- 137 Dividends not to bear interest
- 138 Calls or debts may be deducted from dividends etc
- 139 Retention of dividends
- 140 Unclaimed dividends etc
- 141 Uncashed dividends
- 142 Effectiveness of waiver
- 143 Payment of dividends in specie
- 144 Payment of scrip dividends
- 145 Capitalisation of profits
- 146 Record dates

ACCOUNTS

- 147 Keeping and inspection of accounts
- 148 Accounts to be sent to members etc

AUDITORS

- 149 Acts of auditors
- 150 Entitlement to attend meetings etc.

NOTICES

- 151 Notices to be in writing
- 152 Service of notices and other documents on members and on the Company
- 153 Notice by advertisement
- 154 Evidence of service
- 155 Notice binding on transferees etc
- 156 Notice in case of entitlement by transmission

MISCELLANEOUS

- 157 Destruction of documents
- 158 Winding up
- 159 Indemnity of officers, funding directors' defence costs and power to purchase insurance

Company No 222915

THE COMPANIES ACTS 1985 AND 1989

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

RICARDO PLC

PRELIMINARY

1 Interpretation

(A) In the articles:

"**Act**" means, unless the context otherwise requires, the Companies Act 2006, including any statutory modification or re-enactment for the time being in force,

"**articles**" means these articles of association as amended from time to time,

"**auditors**" means the auditors of the Company,

"**board**" means the board of directors of the Company or the directors present or deemed to be present at a duly convened meeting of the directors at which a quorum is present,

"**business day**" means a day (not being a Saturday or Sunday) on which clearing banks are open for business in London,

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

"**company**" includes any body corporate (not being a corporation sole) or association of persons, whether or not a company within the meaning of the Act,

"**director**" means, unless the context otherwise requires, a director of the Company,

"**dividend**" includes bonus,

"**electronic form**" has the meaning given to it in section 1168 of the Act;

"**electronic means**" has the meaning given to it in section 1168 of the Act,

"**entitled by transmission**" means, in relation to a share, entitled as a consequence of the death or bankruptcy of a member or of another event giving rise to a transmission of entitlement by operation of law,

"**executed**" includes, in relation to a document, execution under hand or under seal or by another method permitted by law;

"group" means the Company and its subsidiaries,

"hard copy form" and **"hard copy"** has the meaning given to it in section 1168 of the Act,

"holder" means, in relation to a share, the member whose name is entered in the register as the holder of that share,

"in writing" means written or produced by any substitute for writing or any method of representing or reproducing words in a legible and non-transitory form or partly one and partly another and whether sent or supplied in electronic form or otherwise,

"London Stock Exchange" means London Stock Exchange plc,

"member" means, unless the context otherwise requires, a member of the Company,

"office" means the registered office of the Company,

"ordinary share(s)" means the ordinary shares of 25 pence each in the capital of the Company,

"paid" and **"paid-up"** include credited as paid or paid up,

"recognised person" means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange which is designated for the purposes of section 778(2) of the Act,

"register" means, unless the context otherwise requires, the register of members kept pursuant to section 113 of the Act;

"seal" means, unless the context otherwise requires, the common seal of the Company or any official or securities seal that the Company may have or may be permitted to have under the Act,

"securities seal" means an official seal kept by the Company pursuant to Section 50 of the Act,

"secretary" means the secretary of the Company and includes any assistant or deputy secretary and a person appointed by the board to perform the duties of the secretary,

"Subsidiary Undertaking" means a subsidiary undertaking of the Company

- (B) Words and expressions contained in these articles which are not defined in paragraph (A) have, unless the contrary is indicated, the same meaning as in the Act
- (C) Where an ordinary resolution of the Company is expressed to be required for any purpose, a special resolution is also effective for that purpose
- (D) Any reference in these articles to a signature or something being signed includes in the case of a communication in electronic form a reference to it being authenticated as specified in the Act
- (E) The headings in the articles do not affect the interpretation of the articles.

2 Table A not to apply

No regulations contained in any statute or subordinate legislation, including the regulations contained in Table A in the schedule to the Companies (Tables A to F)

Regulations 1985 (as amended) apply as the regulations or articles of association of the Company

LIMITED LIABILITY

3 Limited liability

The liability of the members is limited

SHARES

4 Allotment

- (A) Subject to the Act and relevant authority of the Company in general meeting required by the articles and the Acts, the board has general and unconditional authority to allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of unissued shares (whether forming part of the original or any increased capital), or rights to subscribe for or convert any security into shares, to such persons, at such times and on such terms and conditions as the board may decide but no share may be issued at a discount.
- (B) The board has general and unconditional authority, pursuant to section 551 of the Act, to exercise all powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the section 551 amount for each section 551 period
- (C) The board has general power, pursuant to section 570 of the Act, to allot equity securities pursuant to the authority conferred by paragraph (B), as if section 561 of the Act does not apply to such allotment for each section 561 period This power is limited to
 - (i) allotments of equity securities where the securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of ordinary shares and, if in accordance with their rights the board so determines, holders of other equity securities of any class made in proportion (as nearly as may be) to their existing holdings of ordinary shares or (as the case may be) other equity securities of the class concerned (so that any offer to other holders of equity securities of any class shall be on the basis of their rights to receive such offer or, failing which, shall be on the basis that their holdings had been converted into or that they had subscribed for ordinary shares on the basis then applicable) but subject to the board having a right to make such exclusions or other arrangements in connection with such offering as it deems necessary or expedient
 - (a) to deal with equity securities representing fractional entitlements, and
 - (b) to deal with legal or practical problems under the laws of, or the requirements of a recognised regulatory body or a stock exchange in, any territory; and
 - (ii) allotments of equity securities for cash other than pursuant to paragraph (i) up to an aggregate nominal amount equal to the section 561 amount
- (D) By the authority and power conferred by paragraphs (B) and (C), the board may during a prescribed period make an offer or agreement which would or might require equity securities or other relevant securities to be allotted after the prescribed period and may allot securities in pursuance of that offer or agreement

(E) In this article 4

- (i) "section 551 period" means any period (not exceeding 15 months on any occasion) for which the authority conferred by paragraph (B) is renewed by ordinary or special resolution stating the section 551 amount,
- (ii) "section 561 period" means any period (not exceeding 15 months on any occasion) for which the power conferred by paragraph (C) is renewed by special resolution stating the section 561 amount;
- (iii) "section 551 amount" means, for a section 551 period, the amount stated in the relevant ordinary or special resolution or, in either case, another amount fixed by resolution of the Company,
- (iv) "section 561 amount" means, for a section 561 period, the amount stated in the relevant special resolution or, in either case, another amount fixed by resolution of the Company,
- (v) the nominal amount of securities is, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of shares which may be allotted pursuant to those rights

- (F) The board may at any time after the allotment of a share but before a person has been entered in the register as the holder of the share recognise a renunciation of the share by the allottee in favour of another person and may grant to an allottee a right to effect a renunciation on the terms and conditions the board thinks fit

5 **Power to attach rights**

Subject to the Act and to the rights attached to existing shares, new shares may be allotted or issued with or have attached to them such special rights or restrictions as the Company may by ordinary resolution decide, or, if no resolution is passed, as the board may decide.

6 **Redeemable shares**

Subject to the Act and to the rights attached to existing shares, shares may be issued on terms that they are to be redeemed or, at the option of the Company or the holder, are liable to be redeemed. The date on which or by which, or dates between which, any redeemable shares are to be or may be redeemed may be fixed by the directors and in such a case must be fixed by the directors before the shares are issued. Unless otherwise specified in the articles, the amount payable on redemption of any redeemable shares shall be the nominal value of such shares

7 **Variation of rights**

- (A) Subject to the Act, the rights attached to a class of shares may be varied whether or not the Company is being wound up (i) in such manner (if any) as may be provided by those rights, or (ii) in the absence of provision, either with the consent in writing of the holders of at least three fourths of the nominal amount of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class validly held in accordance with the articles, but not otherwise. 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

- (a) the necessary quorum at any such meeting other than at an adjourned meeting shall be two persons at least together holding or representing by proxy at least one-third of the capital paid up on the issued shares of the class in question and at any adjourned meeting shall be one person holding shares of the class present in person or by proxy, and
- (b) any holder of shares of the class present in person or by proxy may demand a poll and 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 each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied

- (B) Unless otherwise expressly provided by the rights attached to any shares or class of shares having preferential rights, those rights shall be deemed to be varied by the reduction of the capital paid up on those shares and by the allotment of further shares ranking in priority for payment of a dividend or in respect of capital but shall not otherwise be deemed to be varied by the creation, allotment or issue of further shares ranking *pari passu* with or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the Act and article 41

8 Commission

The Company may exercise all powers conferred or permitted by the Act of paying commission or brokerage Subject to the Acts, commission or brokerage may be satisfied by the payment of cash or the allotment of fully or partly-paid shares or the grant of an option to call for an allotment of shares or by any combination of these methods

9 Trusts not recognised

Except as ordered by a court of competent jurisdiction or as required by law, the Company shall not recognise a person as holding a share on trust and is not bound by or otherwise compelled to recognise (even if it has notice of it) an equitable, contingent, future, partial or other claim to or interest in a share other than an absolute right in the holder to the whole of the share

SHARE CERTIFICATES

10 Right to certificate

- (A) Subject to the Act, a person (except a recognised person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) on becoming the holder of a share is entitled, unless the terms of issue of the shares provide otherwise, without charge, to one certificate for all the shares of a class registered in his name or, in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares
- (B) Where a member (other than a recognised person) transfers part of his shares comprised in a certificate he is entitled, without charge, to one certificate for the balance of shares retained by him

- (C) The Company is not bound to issue more than one certificate for shares held jointly by two or more persons and delivery of a certificate to one joint holder is sufficient delivery to all joint holders.
- (D) A certificate shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up on the shares. It shall be issued under a seal or otherwise in accordance with article 129 (or in the case of shares on a branch register, an official seal for use in the relevant territory), which may be affixed to or printed on it, or in such other manner as the board may approve, having regard to the terms of allotment or issue of the shares. No certificate shall be issued representing shares of more than one class.

11 Transfer without a written instrument

Nothing in these articles shall prevent title to any securities of the Company from being evidenced and transferred without a written instrument as permitted by the Uncertificated Securities Regulations 2001 and/or section 783 to 788 of the Act and any regulations made pursuant thereto and the directors shall have power to implement such procedures as they may think fit and as may accord with that Act and any regulations made thereunder for recording and transferring title to securities and for the regulation of those procedures and the persons responsible for or involved in their operation.

12 Replacement certificates

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

LIEN

13 Company's lien on shares not fully paid

- (A) The Company has a first and paramount lien on every share (other than a fully paid share) registered in the name of a member (whether solely or jointly with another person) for an amount payable in respect of the share, whether the due date for payment has arrived or not. The lien applies to all dividends from time to time declared or other amounts payable in respect of the share.
- (B) The board may either generally or in a particular case declare a share to be wholly or partly exempt from the provisions of this article. Unless otherwise agreed with the

transferee, the registration of a transfer of a share operates as a waiver of the Company's lien (if any) on that share

14 Enforcement of lien by sale

- (A) For the purpose of enforcing the lien, the board may sell shares subject to the lien in such manner as it may decide, if the due date for payment of the relevant amounts has arrived and payment is not made within 14 clear days after the service of a notice in writing (stating, and demanding payment of, the amounts and giving notice of the intention to sell in default of payment) on the member concerned (or to a person entitled by transmission to the shares).
- (B) To give effect to a sale, the board may authorise a person to execute an instrument of transfer of shares in the name and on behalf of the holder of or the person entitled by transmission to the shares to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity in or invalidity of the proceedings connected with the sale

15 Application of proceeds of sale

The net proceeds of a sale effected under article 14, after payment of the costs of the sale, shall be applied by the Company in or towards satisfaction of the amount in respect of which the lien exists. Any residue shall (on surrender to the Company for cancellation of the certificate for the shares sold, or the provision of an indemnity (with or without security) as to any lost or destroyed certificate required by the board and subject to a like lien for amounts not presently payable as existed on the shares before the sale) be paid to the member or a person entitled by transmission to the shares immediately before the sale

CALLS ON SHARES

16 Calls

Subject to the terms of allotment or issue, the board may make calls on members in respect of amounts unpaid on the shares or a class of shares held by them respectively (whether in respect of nominal value or a premium) and not payable on a date fixed by or in accordance with the terms of allotment or issue. Each member shall (on receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company the amount called as required by the notice. A call may be made payable by instalments and may, at any time before receipt by the Company of an amount due, be revoked or postponed in whole or in part as the board may decide. A call is deemed made at the time when the resolution of the board authorising it is passed. A person on whom a call is made remains liable to pay the amount called despite the subsequent transfer of the share in respect of which the call is made. The joint holders of a share are jointly and severally liable for payment of a call in respect of that share

17 Power to differentiate

The board may make arrangements on the allotment or issue of shares for a difference between the allottees or holders in the amounts and times of payment of a call on their shares.

18 Interest on calls

If the whole of the amount called is not paid on or before the date fixed for payment, the person by whom it is payable shall pay interest on the unpaid amount at such rate as may be fixed by the terms of allotment or issue of the share or, if no rate is fixed, at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent per annum) as the board may decide, from and including the date fixed for payment until but excluding the date of actual payment and all costs, charges and expenses incurred by the Company by reason of the non-payment. The board may waive payment of the interest or costs, charges and expenses in whole or in part

19 Payment in advance

The board may, if it thinks fit, receive from a member all or part of the amounts uncalled and unpaid on shares held by him. A payment in advance of calls extinguishes to the extent of the payment the liability of the member on the shares in respect of which it is made. The Company may pay interest on the amount paid in advance, or on so much of it as from time to time exceeds the amount called on the shares in respect of which the payment in advance has been made, at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent per annum) as the board may decide. 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

20 Amounts due on allotment or issue treated as calls

An amount which becomes payable in respect of a share on allotment or issue or on a date fixed pursuant to the terms of allotment or issue (whether in respect of nominal value or a premium) or as an instalment of a call is deemed to be a call duly made, notified and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment, the provisions of the articles as to payment of interest and costs, charges and expenses, forfeiture or otherwise apply as if that amount has become payable by virtue of a call

FORFEITURE

21 Notice if call not paid

If a member fails to pay the whole of a call or an instalment of a call on or before the date fixed for payment, the board may serve notice on the member or on a person entitled by transmission to the share in respect of which the call was made demanding payment, on a date not less than 14 clear days from the date of the notice, of the amount of the call outstanding and any interest that may have accrued on it and all costs, charges and expenses incurred by the Company by reason of the non-payment. The notice shall state (i) the place where payment is to be made, and (ii) that if the notice is not complied with the share in respect of which the call was made will be liable to be forfeited.

22 Forfeiture for non-compliance

If the notice referred to in article 21 is not complied with, a share in respect of which it is given may, at any time before payment required by the notice has been made, be forfeited by a resolution of the board. The forfeiture includes all dividends declared or other amounts payable in respect of the forfeited share and not paid before the forfeiture

23 Notice after forfeiture

When a share has been forfeited, the Company shall serve notice of the forfeiture on the person who was before forfeiture the holder of the share or the person entitled by transmission to the share but no forfeiture is invalidated by an omission to give notice. An entry of the fact and date of forfeiture shall be made in the register.

24 Disposal of forfeited shares

- (A) Until cancelled in accordance with the Act, a forfeited share and all rights attaching to it are deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before the forfeiture the holder or to another person, on such terms and in such manner as the board may decide. Where for this purpose a forfeited share is to be transferred, the board may authorise a person to execute an instrument of transfer of the share to the transferee. The Company may receive the consideration (if any) for the share on its disposal and may register the transferee as the holder of the share.
- (B) The board may before a forfeited share has been cancelled, sold, re-allotted or otherwise disposed of annul the forfeiture on such conditions as it thinks fit.
- (C) A statutory declaration by a director or the secretary that a share has been forfeited on the date stated in the declaration is conclusive evidence of the facts stated in the declaration against all persons claiming to be entitled to the share. The declaration (subject if necessary to the execution of an instrument of transfer) constitutes good title to the share and the person to whom the share is disposed of is not bound to see to the application of the consideration (if any). His title to the share is not affected by an irregularity in or invalidity of the proceedings connected with the forfeiture or disposal.

25 Arrears to be paid notwithstanding forfeiture

A person whose share has been forfeited ceases on forfeiture to be a member in respect of it and shall surrender to the Company for cancellation the certificate for the forfeited share or shares. He remains liable to pay, and shall immediately pay to the Company, all calls, interest, costs, charges and expenses owing in respect of the share at the time of forfeiture, with interest, from the time of forfeiture until payment, at such rate as may be fixed by the terms of allotment or issue of the share or, if no rate is fixed, at the rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent per annum) as the board may decide. The board may if it thinks fit enforce payment without allowance for the value of the share at the time of forfeiture or for consideration received on disposal.

26 Extinction of interest by forfeiture

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

27 Surrender

The board may accept the surrender of a share liable to be forfeited upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a

surrendered share shall be treated as if it had been forfeited and in that case references in the articles to forfeiture include surrender

UNTRACED SHAREHOLDERS

28 Power of sale

- (A) The Company is entitled to sell the share of a member or of a person entitled by transmission if
- (i) during a period of not less than 12 years before the date of publication of the advertisements referred to in paragraph (A)(iii) (or, if published on two different dates, the first date) (the "**relevant period**") the Company has paid at least three cash dividends (whether interim or final) in respect of the share;
 - (ii) throughout the relevant period no cheque, warrant or money order sent by the Company by post in a pre-paid envelope addressed to the holder of the share or to the person entitled by transmission to the share in accordance with article 136(B) has been presented to the paying bank, no payment made by the Company by any other means permitted by article 136(B) has been claimed or accepted and no communication has been received by the Company from the member or person entitled by transmission (in his capacity as member or person entitled by transmission);
 - (iii) on expiry of the relevant period the Company has given notice of its intention to sell the share by advertisement in a national newspaper and in a newspaper circulating in the area of the address referred to in paragraph (A)(ii), and
 - (iv) the Company has not, so far as the board is aware, during a further period of three months after the date of the advertisements referred to in paragraph (A)(iii) (or the later advertisement if the advertisements are published on different dates) and before the exercise of the power of sale received a communication from the member or person entitled by transmission (in his capacity as member or person entitled by transmission)
- (B) In addition to the power of sale conferred by paragraph (A), if during the relevant period or a further period ending on the date when all the requirements of paragraphs (A)(i) to (iv) have been satisfied an additional share has been allotted or issued in right of that held at the beginning of, or previously so allotted or issued during, those periods and all the requirements of paragraphs (A)(i) to (iv) have been satisfied in respect of the additional share, the Company is entitled to sell the additional share
- (C) To give effect to a sale pursuant to paragraphs (A) or (B), the board may authorise a person to execute an instrument of transfer of the share in the name and on behalf of the holder of, or the person entitled by transmission to, the share to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity or invalidity in the proceedings connected with the sale of the share

29 Application of proceeds of sale

The Company shall account to the member or other person entitled by transmission to the share for the net proceeds of sale by carrying any amount received on sale to a separate account. The Company is deemed to be a debtor and not a trustee in respect of that amount for the member or other person. Any amount carried to the separate account may either be employed in the business of the Company or invested as the board may think fit. No interest is payable on that amount and the Company is not required to account for money earned on it.

TRANSFER OF SHARES

30 Form of transfer

Except as may be provided by any procedures implemented pursuant to article 11 above a member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in another form approved by the board, and the instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid) by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it.

31 Right to refuse registration

(A) Subject to article 70, the board may, in its absolute discretion, refuse to register the transfer of a share or renunciation of a renounceable letter of allotment unless all of the following conditions are satisfied.

- (i) it is in respect of a share which is fully paid,
- (ii) it is in respect of a share on which the Company has no lien,
- (iii) it is in respect of only one class of shares,
- (iv) it is in favour of a single transferee or renouncee or not more than four joint transferees or renouncees,
- (v) it is duly stamped (if required), and
- (vi) it is delivered for registration to the office or such other place as the board may decide, accompanied by the certificate for the shares to which it relates (except in the case of a transfer by a recognised person where a certificate has not been issued, or in the case of a renunciation) and such other evidence as the board may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

(B) If the board refuses to register the transfer of a share it shall, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee together with its reasons for the refusal. An instrument of transfer which the board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. All instruments of transfer which are registered may, subject to article 157, be retained by the Company.

32 Authorising execution of instrument of transfer

Nothing in these articles shall preclude the directors, if empowered by these articles to authorise any person to execute an instrument of transfer of a share, from authorising any person to transfer that share in accordance with any procedures implemented pursuant to article 11 above

33 Fees on registration

No fee may be charged by the Company for registering the transfer of a share or the renunciation of a renounceable letter of allotment or other document relating to or affecting the title to a share or the right to transfer it or for making any other entry in the register.

34 Suspension of registration and closing of register

Subject to the Act, the registration of transfers may be suspended at such times and for such period (not exceeding 30 days in any year) as the board may decide and either generally or in respect of a particular class of shares

TRANSMISSION OF SHARES

35 On death

- (A) The Company may recognise only the personal representative or representatives of a deceased member as having title to a share held by that member alone or to which he alone was entitled. In the case of a share held jointly by more than one person, the Company may recognise only the survivor or survivors as being entitled to it.
- (B) Nothing in the articles releases the estate of a deceased member from liability in respect of a share which has been solely or jointly held by him

36 Election of person entitled by transmission

- (A) A person becoming entitled by transmission to a share may, on production of any evidence the board may require, elect either to be registered as a member or to have a person nominated by him registered as a member
- (B) If he elects to be registered himself, he shall give notice to the Company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share to that person. All the provisions of the articles relating to the transfer of shares apply to the notice or instrument of transfer (as the case may be) as if it were an instrument of transfer executed by the member and his death, bankruptcy or other event giving rise to a transmission of entitlement had not occurred
- (C) The board may give notice requiring a person to make the election referred to in article 36(A). If that notice is not complied with within 60 days, the board may withhold payment of all dividends and other amounts payable in respect of the share and suspend any other advantages to which such person would otherwise be entitled in respect of the share until notice of election has been made

37 Rights on transmission

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share cease. The person entitled by transmission may (upon supplying to the Company such evidence as the Company may reasonably require of his title to the share), however, give a good discharge for dividends and other amounts payable in

respect of the share and, subject to articles 36 and 136, has the rights to which he would be entitled if he were the holder of the share. The person entitled by transmission is not, however (except with the authority of the board), before he is registered as the holder of the share entitled in respect of it to receive notice of or exercise rights conferred by membership in relation to meetings of the Company or a separate meeting of the holders of a class of shares.

ALTERATION OF SHARE CAPITAL

38 **Increase, consolidation, sub-division and cancellation**

The Company may by ordinary resolution

- (i) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares,
- (ii) subject to the Act, sub-divide all or any of its shares into shares of a smaller amount and may by the resolution decide that
 - (a) the shares resulting from the sub-division have amongst themselves a preference or other advantage or be subject to a restriction; and
 - (b) the proportion between the amount paid up and the amount (if any) not paid up on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived

39 **Fractions**

- (A) If, as the result of consolidation and division or sub-division of shares, members become entitled to fractions of a share, the board may on behalf of the members deal with the fractions as it thinks fit. In particular, the board may
 - (i) sell fractions of a share to a person (including, subject to the Acts, to the Company) for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion amongst the persons entitled (except that if the amount due to a person is less than £3, or such other sum as the board may decide, the sum may be retained for the benefit of the Company), or
 - (ii) subject to the Act, allot or issue to a member credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding of shares to a number which, following consolidation and division or sub-division, leaves a whole number of shares (such allotment or issue being deemed to have been effected immediately before consolidation or sub-division, as the case may be)
- (B) To give effect to a sale pursuant to article 39(A)(i) the board may authorise a person to execute an instrument of transfer of shares to the purchaser or his nominee and may cause the name of the purchaser or his nominee to be entered in the register as the holder of the shares. The purchaser is not bound to see to the application of the purchase money and the title of the transferee to the shares is not affected by an irregularity or invalidity in the proceedings connected with the sale.
- (C) If shares are allotted or issued pursuant to article 39(A)(ii), the amount required to pay up those shares may be capitalised as the board thinks fit out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and applied in

paying up in full the appropriate number of shares. A resolution of the board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to article 145. In relation to the capitalisation the board may exercise all the powers conferred on it by article 145 without an ordinary resolution of the Company.

40 Reduction of capital

Subject to the Act and to the rights attached to existing shares, the Company may by special resolution reduce its share capital, capital redemption reserve and any share premium account or undistributable reserve in any way.

41 Purchase of own shares

Subject to the Act, the Company may purchase shares of any class (including redeemable shares) and any contract under which it may, subject to any conditions, become entitled or obliged to purchase all or any of such shares in its own capital in any way. Subject thereto, neither the Company nor the directors shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares. Notwithstanding anything to the contrary contained in the articles, the rights attached to any class of shares shall be deemed not to be varied by anything done by the Company or the directors pursuant to this article.

GENERAL MEETINGS

42 Annual general meeting

The Company shall hold annual general meetings, which shall be convened by the board, in accordance with the Act.

43 General meeting

All meetings of the Company other than annual general meetings are called general meetings.

44 Convening of general meetings

The board may convene a general meeting whenever it thinks fit. The board must convene a general meeting immediately on receipt of a requisition from members in accordance with the Act for a date not later than 28 days after the date of the notice convening the meeting and in default a meeting may be convened by requisitionists as provided in the Act. At a meeting convened on a requisition or by requisitionists no business may be transacted except that stated by the requisition or proposed by the board. A general meeting may also be convened in accordance with article 100.

45 Length and form of notice

- (A) An annual general meeting shall be called by not less than 21 clear days' notice. All other general meetings may be called by 14 clear days' notice provided the conditions in (B) are satisfied and shall otherwise be called on not less than 21 clear days' notice.

- (B) The conditions referred to in (A) are as follows
- (i) the meeting is not an annual general meeting,
 - (ii) a special resolution enabling a notice period of not less than 14 clear days has been passed by members and
 - (iii) the Company offers the facility to allow all members to vote by electronic means
- (C) Subject to the Act, and although called by shorter notice than that specified in paragraph (A), a general meeting is deemed to have been duly called if it is so agreed
- (i) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting, and
 - (ii) in the case of another meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right
- (D) The notice of meeting shall specify
- (i) whether the meeting is an annual general meeting or a general meeting,
 - (ii) the place, the date and the time of the meeting,
 - (iii) in the case of special business, the general nature of that business;
 - (iv) if the meeting is convened to consider a special resolution, the intention to propose the resolution as such, and
 - (v) with reasonable prominence, that a member entitled to attend and vote may appoint one or more proxies to attend, vote on a show of hands and on a poll and speak instead of him and that a proxy need not also be a member
- (E) The notice of meeting shall be given to the members (other than any who, under the provisions of the articles or the terms of allotment or issue of shares, are not entitled to receive notice), to the directors and to the auditors
- (F) If the notice is made available by means of a website, it must be available until the conclusion of the meeting

46 Omission to send notice

The accidental omission to send a notice of meeting or, in cases where it is sent out with the notice, an instrument of proxy to, or the non-receipt of either by, a person entitled to receive it does not invalidate the proceedings at a general meeting

47 Special business

All business transacted at a general meeting is deemed special except the following business at an annual general meeting

- (i) the receipt and consideration of the annual accounts, the directors' report and auditors' report on those accounts;

- (ii) the appointment of directors and other officers in place of those retiring or otherwise ceasing to hold office;
- (iii) the declaration of dividends, and
- (iv) the appointment of the auditors (when special notice of the resolution for appointment is not required by the Act) and the fixing, or determination of the manner of the fixing, of their remuneration

PROCEEDINGS AT GENERAL MEETINGS

48 **Quorum**

- (A) No business may be transacted at a general meeting unless a quorum is present. The absence of a quorum does not prevent the appointment of a chairman in accordance with the articles, which is not treated as part of the business of the meeting.
- (B) The quorum for a general meeting is for all purposes two members present in person or by proxy and entitled to vote.

49 **Procedure if quorum not present**

- (A) If a quorum is not present within fifteen minutes from the time fixed for the start of the meeting, the meeting, if convened by or on the requisition of members, is dissolved. In any other case it stands adjourned to such time (being not less than 14 days nor more than 28 days later) and place as the chairman (or, in default, the board) decides.
- (B) At an adjourned meeting the quorum is two members present in person or by proxy and entitled to vote. If a quorum is not present within fifteen minutes from the time fixed for the start of the meeting, the adjourned meeting is dissolved.
- (C) The Company shall give not less than seven clear days' notice of any meeting adjourned for the lack of a quorum and the notice shall state the quorum requirement. Where new business which was not covered in the original notice is to be considered at the reconvened meeting, the provisions of Article 45 apply in respect of the reconvened meeting.

50 **Chairman**

The chairman (if any) of the board or, in his absence, the deputy chairman (if any) shall preside as chairman at a general meeting. If there is no chairman or deputy chairman, or if at a meeting neither is present within five minutes after the time fixed for the start of the meeting or neither is willing to act, the directors present shall select one of their number to be chairman. If only one director is present and willing to act, he shall be chairman. In default, the members present in person and entitled to vote shall choose one of their number to be chairman.

51 **Director's right to attend and speak**

A director is entitled to attend and speak at a general meeting and at a separate meeting of the holders of a class of shares or debentures whether or not he is a member.

52 **Power to adjourn**

- (A) The chairman may, with the consent of a meeting at which a quorum is present or without such consent if in his opinion it is not practicable to obtain such consent but it appears to him necessary in order to facilitate the business of the meeting and shall, if

so directed by the meeting, adjourn a meeting from time to time and from place to place or for an indefinite period

- (B) Without prejudice to any other power which he may have under the provisions of the articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he decides that it has become necessary to do so in order to (i) secure the proper and orderly conduct of the meeting, (ii) give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting, (iii) protect the safety of any person attending the meeting or (iv) ensure that the business of the meeting is properly disposed of

53 Notice of adjourned meeting

Without prejudice to article 49(C), whenever a meeting is adjourned for 30 days or more or for an indefinite period, at least seven clear days' notice specifying the place, date and time of the adjourned meeting and the general nature of the business to be transacted shall be given to the members (other than any who, under the provisions of the articles or the terms of allotment or issue of the shares, are not entitled to receive notice), the directors and the auditors. Except in these circumstances, and subject to article 49(C), it is not necessary to give notice of an adjourned meeting or of the business to be transacted at the adjourned meeting.

54 Adjournment to more than one place

If any general meeting is convened at or adjourned to more than one place:

- (A) The notice of the meeting or adjourned meeting shall specify the place at which the chairman of the meeting shall preside (the Specified Place) and the directors shall make arrangements for simultaneous attendance and participation at other places (whether adjoining the Specified Place or in a different and separate place or places altogether or otherwise) by members, provided that persons attending at any particular place shall be able to see and hear and be seen and heard (whether by audio visual links or otherwise howsoever enabling the same) by persons attending at the other places at which the meeting is convened
- (B) The directors may from time to time make such arrangements for the purpose of controlling the level of attendance at any such place (whether involving the issue of tickets or the imposition of some means of selection or otherwise) as they shall in their absolute discretion consider appropriate, and may from time to time vary any such arrangements or make new arrangements in place of them, provided that a member who is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places, and the entitlement of any member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangements as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting
- (C) For the purposes of all other provisions of these articles any such meeting shall be treated as being held at the Specified Place
- (D) If a meeting is adjourned to more than one place, notice of the adjourned meeting shall be given notwithstanding any other provision of these articles

55 Business at adjourned meeting

No business may be transacted at an adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place

56 Amendment of resolutions

If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting any proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution no amendment thereto (other than a merely clerical amendment to correct a patent error) may in any event be considered or voted upon

57 Accommodation of members at meeting

If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled and wishing to attend, the meeting is duly constituted and its proceedings valid if the chairman is satisfied that adequate facilities are available to ensure that a member who is unable to be accommodated is able to (i) participate in the business for which the meeting has been convened, (ii) hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise), whether in the meeting place or elsewhere, and (iii) be heard and seen by all other persons present in the same way

58 Security

The board may make any arrangement and impose any restriction it considers appropriate to ensure the security of a meeting including, without limitation, the searching of a person attending the meeting and the restriction of the items of personal property that may be taken into the meeting place. The board is entitled to refuse entry to a meeting to a person who refuses to comply with these arrangements or restrictions

VOTING

59 Method of voting

- (A) At a general meeting, a resolution put to the vote of the meeting is decided by a show of hands unless (before or on the declaration of the result of the show of hands) a poll is duly demanded
- (B) Subject to the Act, a poll may be demanded on any question by:
- (i) the chairman of the meeting;
 - (ii) not less than three members present in person or by proxy and entitled to vote;
 - (iii) a member or members present in person or by proxy representing in aggregate not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (iv) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting, being shares on which an aggregate

sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right

A demand by a proxy is deemed to be a demand by the member appointing the proxy

- (C) Unless a poll is demanded and the demand is not withdrawn, a declaration by the chairman that the resolution has been carried, or carried by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution

60 Procedure on a poll

- (A) If a poll is properly demanded, it shall be taken in such manner as the chairman directs. He may appoint scrutineers, who need not be members, and may fix a time and place for declaring the result of the poll. The result of the poll is deemed to be the resolution of the meeting at which the poll is demanded.
- (B) A poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting and without adjournment. A poll demanded on another question shall be taken at such time and place as the chairman decides, either at once or after an interval or adjournment (but not more than 30 clear days after the date of the demand)
- (C) No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken
- (D) The demand for a poll may be withdrawn but only with the consent of the chairman. A demand withdrawn in this way validates the result of a show of hands declared before the demand is made. If the demand for a poll is withdrawn, the chairman or any other member entitled may demand a poll. In the case of a poll demanded before the declaration of the result of a show of hands, the meeting shall continue as if the demand had not been made.
- (E) The demand for a poll (other than on the election of the chairman or on a question of adjournment) does not prevent the meeting continuing for the transaction of business other than the question on which a poll has been demanded
- (F) On a poll, votes may be given in person or by proxy or (in the case of a corporate member) by a duly authorised representative and a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way, whether present in person or by proxy

61 Votes of members

- (A) Subject to special terms as to voting on which shares have been allotted or issued, or a suspension or abrogation of voting rights pursuant to the articles, at a general meeting every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative not being himself a member entitled to vote, shall have on a show of hands one vote and every member present in person or by proxy has on a poll one vote for every share of which he is the holder

- (B) 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 vote or votes of the other joint holder or holders, and seniority is determined by the order in which the names of the holders stand in the register
- (C) A member in respect of whom an order has been made by a court or official having jurisdiction (whether in the United Kingdom or elsewhere) that he is or may be suffering from mental disorder or is otherwise incapable of running his affairs may vote, whether on a show of hands or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the court. A guardian, receiver, curator bonis or other authorised and appointed person may, on a poll, vote by proxy if evidence (to the satisfaction of the board) of the authority of the person claiming to exercise the right to vote is deposited at the office (or at another place specified in accordance with the articles for the deposit of instruments of proxy) within the time limits prescribed by the articles for the deposit of instruments of proxy for use at the meeting, adjourned meeting or poll at which the right to vote is to be exercised

62 Restriction on voting rights for unpaid calls etc.

Unless the board otherwise decides, no member is entitled in respect of a share held by him to be present or to vote, either in person or by proxy, at a general meeting or at a separate meeting of the holders of a class of shares or on a poll, or to exercise other rights conferred by membership in relation to the meeting or poll, if a call or other amount due and payable in respect of the share is unpaid. This restriction ceases on payment of the amount outstanding and all costs, charges and expenses incurred by the Company by reason of the non-payment.

63 Voting by proxy

- (A) An instrument appointing a proxy shall be in any common form or in any other form which the board shall approve and may -
 - (i) be in hard copy form executed by or on behalf of the appointor or, if the appointor is a corporation, under the hand of a duly authorised officer or attorney; or
 - (ii) where an address has been specified for such purpose as set out in the following article, be in electronic form, subject to such terms and conditions, including as to execution, as the board may from time to time prescribe
- (B) An instrument of proxy is deemed (unless the contrary is stated in it) to confer authority to demand or join in demanding a poll and to vote on a resolution or amendment of a resolution put to, or other business which may properly come before, the meeting or meetings for which it is given, as the proxy thinks fit
- (C) A proxy need not be a member
- (D) A member may appoint more than one proxy to attend on the same occasion and if he does so he shall specify the number of shares held by him in respect of which each proxy is entitled to exercise rights. When two or more valid but differing instruments of proxy are delivered for the same share for use at the same meeting, the one which is last validly delivered (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share
- (E) Deposit of an instrument of proxy does not prevent a member attending and voting in person at the meeting or an adjournment of the meeting or on a poll

- (F) An instrument of proxy is (unless the contrary is stated in it) valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. An instrument of proxy is valid for 12 months from the date of execution.
- (G) Subject to the Act, the Company may send an instrument of proxy in hard copy form to all or none of the persons entitled to receive notice of and to vote at a meeting and may issue invitations in electronic form to appoint a proxy in relation to a meeting in such a form as may be approved by the board. If sent the instrument shall provide for three-way voting on all resolutions set out in the notice of meeting.

64 Deposit of proxy

An instrument of proxy, and (if required by the board) a power of attorney or other authority under which it is executed or a copy of it notarially certified or certified in some other way approved by the board, shall be

- (i) in the case of an instrument in hard copy form, deposited at the office, or another place in the United Kingdom, specified in the notice convening the meeting or in an instrument of proxy or other accompanying document sent by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the instrument proposes to vote,
- (ii) in the case of an appointment contained in electronic form, received at the address (if any) specified for the purpose of receiving such appointments in electronic form:
 - (i) in or by way of note to the notice of meeting;
 - (ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting,
 - (iii) in any invitation contained in electronic form to appoint a proxy issued by or on behalf of the Company in relation to the meeting, or
 - (iv) by means of a relevant system,not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or the taking of the poll at which the person named in the appointment proposes to vote,
- (iii) in either case, where a poll is taken more than 48 hours after it is demanded, deposited or received as required by paragraphs (i) or (ii) above not less than 24 hours before the time appointed for the taking of the poll, or
- (iv) in the case only of an instrument in hard copy form or any authority or copy thereof, where a poll is not taken immediately but is taken not more than 48 hours after it was demanded, delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to a director

An instrument of proxy not (or in respect of which the authority or copy thereof is not) deposited, delivered or received in accordance with this article is invalid

65 When votes by proxy valid though authority revoked

A vote given or poll demanded by a proxy or authorised representative of a company is valid despite termination of his authority unless notice of termination is received by the

Company at the office (or other place specified for depositing the instrument of proxy) at least one hour before the time for holding the meeting or adjourned meeting at which the vote is given 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.

MISCELLANEOUS

66 Corporate Representative

A company which is a member may, by resolution of its directors or other governing body, authorise a person or persons to act as its representative(s) at a meeting or at a separate meeting of the holders of a class of shares (each a "representative"). A representative is entitled to exercise on behalf of the company (in respect of that part of the company's holding of shares to which the authorisation relates) those powers that the company could exercise if it were an individual member. The company is for the purposes of the articles deemed to be present in person at a meeting if one or more representatives are present. All references to attendance and voting in person shall be construed accordingly. A director, the secretary or other person authorised for the purpose by the secretary may require any representative to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers.

67 Objections To And Error In Voting

No objection may be made to the qualification of a voter or to the counting of, or failure to count, a vote, except at the meeting or adjourned meeting at which the vote objected to is tendered or at which the error occurs. An objection properly made shall be referred to the chairman and only invalidates the result of the voting if, in the opinion of the chairman, it is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman is conclusive and binding on all concerned.

68 Amendments To Resolutions

No amendment to a resolution duly proposed as a special resolution other than an amendment to correct a patent error may be considered or voted on. No amendment to a resolution duly proposed as an ordinary resolution other than an amendment to correct a patent error may be considered or voted on unless either (i) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and intention to move it has been lodged at the office, or (ii) the chairman in his absolute discretion decides that the amendment may be considered or voted on. If an amendment proposed to a resolution under consideration is ruled out of order by the chairman the proceedings on the substantive resolution are not invalidated by an error in his ruling.

69 Class Meetings

A separate meeting for the holders of a class of shares shall be convened and conducted as nearly as possible in the same way as a general meeting, except that

- (i) no member, other than a director, is entitled to notice of it or to attend unless he is a holder of shares of that class,
- (ii) no vote may be given except in respect of a share of that class,

- (iii) the quorum at the meeting is two persons present in person holding or representing by proxy at least one-third in nominal value of the issued shares of that class;
- (iv) the quorum at an adjourned meeting is two persons holding shares of that class who are present in person or by proxy, and
- (v) a poll may be demanded in writing by a member present in person or by proxy and entitled to vote at the meeting and on a poll each member has one vote for every share of that class of which he is the holder

70 **Failure To Disclose Interests In Shares**

(A) Where notice is served by the Company under section 793 of the Act (a "**section 793 notice**") on a member, or another person appearing to be interested in shares held by that member, and the member or other person has failed in relation to any shares (the "**default shares**", which expression includes any shares allotted or issued after the date of the section 793 notice in respect of those shares) to give the Company the information required within the prescribed period from the date of the section 793 notice, the following sanctions apply, unless the board otherwise decides

- (i) the member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll, or to exercise other rights conferred by membership in relation to the meeting or poll, and
- (ii) where the default shares represent at least 0.25 per cent in nominal value of the issued shares of their class
 - (a) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the member is not entitled to elect, pursuant to article 144, to receive shares instead of a dividend, and
 - (b) no transfer of any of the default shares shall be registered unless the transfer is an excepted transfer or
 - (1) the member is not himself in default in supplying the information required; and
 - (2) the member proves to the satisfaction of the board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer

(B) The sanctions under paragraph (A) cease to apply seven days after the earlier of

- (i) receipt by the Company of notice of an excepted transfer, but only in relation to the shares transferred, and
- (ii) receipt by the Company, in a form satisfactory to the board, of all the information required by the section 793 notice

(C) Where, on the basis of information obtained from a member in respect of a share held by him, the Company issues a section 793 notice to another person, it shall at the same time send a copy of the section 793 notice to the member, but the accidental omission

to do so, or the non-receipt by the member of the copy, does not invalidate or otherwise affect the application of paragraph (A)

(D) For the purposes of this article 70

- (i) a person, other than the member holding a share, is treated as appearing to be interested in that share if the member has informed the Company that the person is or may be interested, or if the Company (after taking account of information obtained from the member or, pursuant to a section 793 notice, from anyone else) knows or has reasonable cause to believe that the person is or may be so interested,
- (ii) "**interested**" is construed as it is for the purpose of section 793 of the Act,
- (iii) reference to a person having failed to give the Company the information required by a section 793 notice, or being in default in supplying such information, includes (a) reference to his having failed or refused to give all or any part of it, and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular,
- (iv) the "**prescribed period**" means 14 days,
- (v) an "**excepted transfer**" means, in relation to shares held by a member
 - (a) a transfer pursuant to acceptance of a takeover offer for the Company (within the meaning of section 974 of the Act), or
 - (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or another stock exchange outside the United Kingdom on which shares in the capital of the Company are normally traded, or
 - (c) a transfer which is shown to the satisfaction of the board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares

(E) The provisions of this article are in addition and without prejudice to the provisions of the Act

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

71 Number of directors

Unless and until otherwise decided by the Company by ordinary resolution the number of directors (other than alternate directors) shall not be less than three nor more than fifteen in number.

72 Power of the Company to appoint directors

Subject to the articles, the Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the board, but the total number of directors may not exceed any maximum number fixed in accordance with the articles.

73 Power of the board to appoint directors

Without prejudice to the power of the Company to appoint a person to be a director pursuant to the articles, the board may appoint a person who is willing to act as a director, either to fill a vacancy or as an addition to the board, but the total number of directors may not exceed any maximum number fixed in accordance with the articles. A director appointed in this way may hold office only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during that meeting

74 Appointment of executive directors

Subject to the Act, the board may appoint one or more of its body to hold employment or executive office (including, without limitation, that of managing director) with the Company for such term (subject to the Acts) and on any other conditions the board thinks fit. The board may revoke or terminate an appointment, without prejudice to a claim for damages for breach of contract or otherwise

75 Eligibility of new directors

(A) No person other than a director retiring may be appointed or reappointed a director at a general meeting unless

- (i) he is recommended by the board, or
- (ii) not less than seven nor more than 42 days before the date fixed for the meeting, notice has been given to the Company by a member (other than the person to be proposed) qualified to vote at the meeting of the intention to propose that person for appointment or reappointment. The notice shall (a) state the particulars which would, if the proposed director were appointed or reappointed, be required to be included in the Company's register of directors, (b) be accompanied by notice given by the proposed director of his willingness to be appointed or reappointed, and (c) be lodged at the office

(B) A director need not be a member. A director who is not a member of the Company shall nevertheless be entitled to be given notice of and attend and speak at general meetings including any separate meeting of the holders of any class of shares

76 Voting on resolution for appointment

Except as authorised by the Act and these articles, the appointment of any person proposed as a director shall be effected by a separate resolution. A resolution for the appointment of two or more persons as directors by a single resolution is void unless an ordinary resolution that the resolution for appointment is proposed in this way has first been agreed to by the meeting without a vote being given against it, and any resolution moved in contravention of this provision shall be void. For the purposes of this article, a resolution for approving a person's appointment or for nominating a person for appointment as a director shall be treated as a resolution for his appointment.

77 Annual retirement of directors

At each annual general meeting each of the directors shall retire from office unless re-elected at the meeting. Each director who retires at an annual general meeting shall be eligible for re-election. If he is not reappointed or deemed reappointed, he may retain

office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting

78 Retirement effective at conclusion of meeting

The retirement of any director retiring at a general meeting in accordance with articles 77 to 79 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 in which case the retirement shall take effect at the time of election of his replacement or the time of the losing of that resolution, as the case may be. A retiring director who is re-elected or deemed to have been re-elected will continue in office without a break

79 Deemed reappointment

At a general meeting at which a director retires the Company may fill the vacancy and, if it does not do so, the retiring director is, if willing, deemed reappointed unless it is expressly resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost

80 No retirement on account of age

No person is incapable of being appointed a director by reason of his having reached the age of 70 or another age. Special notice is not required in connection with the appointment or the approval of the appointment of such person. No director is required to vacate his office because he has reached the age of 70 or another age

81 Removal by ordinary resolution

In addition to any power of removal conferred by the Act, the Company may by ordinary resolution of which special notice has been given remove a director before the expiration of his period of office (without prejudice to a claim for damages for breach of contract or otherwise) and may (subject to the articles) by ordinary resolution appoint another person who is willing to act to be a director in his place. A person appointed in this way is treated, for the purposes of determining the time at which he or another director is to retire, as if he had become a director on the date on which the person in whose place he is appointed was last appointed or reappointed a director

82 Vacation of office by director

(A) Without prejudice to the provisions for retirement contained in the articles, the office of a director is vacated if

- (i) he resigns by notice delivered to the secretary at the office or tendered at a board meeting, in which event he shall vacate that office on the service of that notice on the Company or at such later time as is specified in the notice or he offers in writing to resign and the directors resolve to accept such offer,
- (ii) he ceases to be a director by virtue of a provision of the Act, is removed from office pursuant to the articles or becomes prohibited by law from being a director,
- (iii) he becomes bankrupt, has an interim receiving order made against him, makes an arrangement or compounds with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act,

- (iv) an order is made by a court of competent jurisdiction on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian, receiver, curator bonis or other person to exercise powers with respect to his affairs or he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in any other territory, in pursuance of an application for admission under analogous legislation or regulations and the board resolves that his office be vacated;
 - (v) both he and his alternate director appointed pursuant to the provisions of the articles (if any) are absent, without the permission of the board, from board meetings for six consecutive months and the board resolves that his office be vacated,
 - (vi) he is convicted of an indictable offence and the directors shall resolve that it is undesirable in the interests of the Company that he remains a director thereof,
 - (vii) he is removed from office by notice addressed to him at his last-known address and signed by all the other directors and all the other directors are not less than two in number (without prejudice to a claim for damages for breach of contract or otherwise); or
 - (viii) being a Managing Director or a director holding an executive office, his appointment as such is terminated or expires and the directors resolve that his office be vacated
- (B) A resolution of the board declaring a director to have vacated office under the terms of this article is conclusive as to the fact and grounds of vacation stated in the resolution.

ALTERNATE DIRECTORS

83 Appointment

- (A) A director (other than an alternate director) may by notice delivered to the secretary at the office, or in any other manner approved by the board, appoint as his alternate director

- (i) another director, or
- (ii) another person approved by the board and willing to act

in his place and may in like manner remove from office an alternate director so appointed by him.

No appointment of an alternate director who is not already a director is effective until his consent to act as a director in the form prescribed by the Act has been received at the office

- (B) An alternate director need not be a member and is not counted in reckoning the number of directors for the purpose of article 71

84 Revocation of appointment

A director may by notice delivered to the secretary at the office revoke the appointment of his alternate director and, subject to the provisions of article 83, appoint another person in his place. If a director ceases to hold the office of director or if he dies, the appointment of his alternate director automatically ceases. If a

director retires but is reappointed or deemed reappointed at the meeting at which his retirement takes effect, a valid appointment of an alternate director which was in force immediately before his retirement continues to operate after his reappointment as if he has not retired. The appointment of an alternate director ceases on the happening of an event which, if he were a director otherwise appointed, would cause him to vacate office.

85 Participation in board meetings

An alternate director is, if he gives the Company an address in the United Kingdom at which notices may be served on him, entitled to receive notice of all meetings of the board and all committees of the board of which his appointor is a member and, in the absence from those meetings of his appointor, to attend and vote at the meetings and to exercise all the powers, rights, duties and authorities of his appointor as a director in his absence and for the purposes of the proceedings at any such meeting the provisions of these articles shall apply as if he were a director. A director acting as alternate director has a separate vote at meetings of the board and committees of the board for each director for whom he acts as alternate director but he counts as only one for the purpose of determining whether a quorum is present.

86 Responsibility

Save as otherwise provided in these articles, a person acting as an alternate director shall be subject in all respects to the provisions of these articles relating to directors, is an officer of the Company, is alone responsible to the Company for his acts and defaults, and is not deemed to be the agent of his appointor.

87 Voting

A director or any other person may act as alternate director to represent more than one director, and an alternate director shall be entitled at meetings of the directors or any committee of the directors to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present. Execution by an alternate director of any resolution in writing of the directors or of a committee of the directors shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointor. To such extent as the directors may from time to time determine in relation to any committees of the directors the foregoing provisions of this paragraph shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member. An alternate director shall not (save as aforesaid) have power to act as a director.

CHAIRMAN AND OTHER OFFICERS

88 Appointment

Subject to the Act, the directors may appoint one or more of their number to any office or employment under the Company (including, but without limitation, that of Chairman, Deputy Chairman, Chief Executive, Managing Director or Joint Managing director but not including that of auditor), and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director and may also permit any person appointed to be a director to continue in any office or employment held by him before he was so appointed. Any such appointment, agreement or arrangement may be made for such period and upon such terms as the

directors determine and they may remunerate any such director for his services as they think fit in accordance with article 92 below

89 Tenure of office

A director appointed pursuant to the preceding article to the office of Chairman, Deputy Chairman, Managing Director, Chief Executive or any other executive office shall automatically and immediately cease to hold that office if he ceases to hold the office of director from any cause, but he shall not (unless any agreement between him and the Company shall otherwise provide) cease to hold his office as a director by reason only of his ceasing to be Chairman, Deputy Chairman, Managing Director, or Chief Executive of the Company or to hold any other such executive office, as the case may be

90 Honorary president

The directors shall have power from time to time to appoint any one or more persons to be an honorary President of the Company upon such terms and conditions as the directors may determine and subsequently to remove any such person or persons from office. An honorary President shall not have any powers to act as a director nor shall he be deemed to be a director for the purposes of the articles

REMUNERATION, EXPENSES AND PENSIONS

91 Directors' fees

Unless otherwise decided by the Company by ordinary resolution, the Company shall pay to the directors (but not alternate directors) for their services as directors such amount of aggregate fees as the board decides (not exceeding £500,000 per annum or such larger amount as the Company may by ordinary resolution decide). The aggregate fees shall be divided among the directors in such proportions as the board decides or, if no decision is made, equally. A fee payable to a director pursuant to this article is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of the articles and accrues from day to day

92 Additional remuneration

A director who, at the request of the board, goes or resides abroad, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the board may decide

93 Expenses

A director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director including, without limitation, expenses incurred in attending meetings of the board or of committees of the board or general meetings or separate meetings of the holders of a class of shares or debentures.

94 Remuneration and expenses of alternate directors

An alternate director is not entitled to a fee from the Company for his services as an alternate director. The fee payable to an alternate director is payable out of the fee payable to his appointor and consists of such portion (if any) of the fee as he agrees with his appointor. The Company shall, however, repay to an alternate director

expenses incurred by him in the performance of his duties if the Company would have been required to repay the expenses to him under article 93 had he been a director. An alternate director shall be entitled to be indemnified by the Company to the same extent as if he were a director.

95 Directors' pensions and other benefits

- (A) The board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (by insurance or otherwise) for a person who is or has at any time been a director of (i) the Company, (ii) a company which is or was a subsidiary undertaking of the Company, (iii) a company which is or was allied to or associated with the Company or a subsidiary undertaking of the Company, or (iv) a predecessor in business of the Company or of a subsidiary undertaking of the Company (or, in each case, for any member of his family, including a spouse or former spouse, or a person who is or was dependent on him). For this purpose the board may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums. The board may arrange for this to be done by the Company alone or in conjunction with another person.
- (B) A director or former director is entitled to receive and retain for his own benefit a pension or other benefit provided under paragraph (A) and is not obliged to account for it to the Company and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

96 Establishment of associations and clubs

The directors may also procure the establishment and subsidy of or subscription to and support of any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons or otherwise to advance the interests and well-being of the Company or of any such other company, or its members and may make or procure payments for or towards the insurance of any such persons and subscriptions or guarantees for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

97 Exercise of powers

Without prejudice to the generality of articles 95 and 96, the directors may exercise any of the powers conferred by the Act to make provision for the benefit of any such persons in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiaries.

98 Remuneration of executive director

The salary or other remuneration of a director appointed to hold employment or executive office in accordance with the articles may be a fixed sum of money, or wholly or in part governed by business done or profits made, or as otherwise decided by the board, and may be in addition to or instead of a fee payable to him for his services as director pursuant to the articles.

POWERS AND DUTIES OF THE BOARD

99 Powers of the board

Subject to the Act and the articles and to directions given by special resolution of the Company, the business of the Company is managed by the board which may exercise

all the powers of the Company whether relating to the management of the business or not. No alteration of the articles and no direction given by the Company invalidate a prior act of the board which would have been valid if the alteration had not been made or the direction had not been given. The provisions of the articles giving specific powers to the board do not limit the general powers given by this article.

100 Powers of directors being less than minimum required number

If the number of directors is less than the minimum prescribed by the articles or decided by the Company by ordinary resolution, the remaining director or directors may act only for the purposes of appointing an additional director or directors to make up that minimum or convening a general meeting of the Company for the purpose of making such appointment. If no director or directors is or are able or willing to act, two members may convene a general meeting for the purpose of appointing directors. An additional director appointed in this way holds office (subject to the articles) only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the meeting.

101 Powers of executive directors

The board may delegate to a director holding executive office (including, without limitation, a managing director) any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit. In particular, without limitation, the board may grant the power to sub-delegate, and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the director. The board may at any time revoke the delegation or alter its terms and conditions.

102 Delegation to committees

The board may delegate any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit to a committee consisting of one or more directors and (if thought fit) one or more other persons provided that a majority of the members of the committee shall be directors and no resolution of the committee shall be effective unless a majority of those present when it is passed are directors. In particular, without limitation, the board may grant the power to sub-delegate, and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the committee. The board may at any time revoke the delegation or alter its terms and conditions or discharge the committee in whole or in part. Where a provision of the articles refers to the exercise of a power, authority or discretion by the board and that power, authority or discretion has been delegated by the board to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

103. Local management

The board may establish local or divisional boards or agencies for managing the affairs of the Company in a specified locality, either in the United Kingdom or elsewhere, and may appoint persons to be members of a local or divisional board or agency, and may fix their remuneration. The board may delegate to a local or divisional board or agency any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit. In particular, without limitation, the board may grant the power to sub-delegate, may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the local or divisional board or agency and may authorise the members of a local or divisional board or

agency (or any of them) to fill a vacancy or to act despite a vacancy. The board may at any time revoke or alter the terms and conditions of the appointment or delegation. Subject to terms and conditions imposed by the board, the proceedings of a local or divisional board or agency with two or more members are governed by those articles that regulate the proceedings of the board, so far as applicable.

104 **Agents**

The board may by power of attorney or otherwise appoint a person to be the agent of the Company and may delegate to that person any of its powers, authorities and discretions for such purposes, for such time and on such terms and conditions (including as to remuneration) as it thinks fit. In particular, without limitation, the board may grant the power to sub-delegate and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the agent. The board may at any time revoke or alter the terms and conditions of the appointment or delegation. Any such appointment or power of attorney may contain such provisions for the protection and convenience of persons dealing with any such agent or attorney as the directors may think fit.

105 **Associate directors**

The board may appoint a person (not being a director) to an office or employment having a designation or title including the word "director" or attach to an existing office or employment that designation or title and may terminate the appointment or use of that designation or title. The inclusion of the word "director" in the designation or title of an office or employment does not imply that the person is, or is deemed to be, or is empowered to act as, a director for any of the purposes of the Act or the articles nor shall such holder thereby be empowered in any respect to act as a director of the Company or be deemed to be a director for any of the purposes of the articles and he shall not be entitled to attend or be present at any meetings of the directors or of any committee of the directors unless the directors shall require him to attend.

106 **Exercise of voting powers**

Subject to article 109, the board may exercise or cause to be exercised the voting powers conferred by shares in the capital of another company held or owned by the Company, or a power of appointment to be exercised by the Company, in any manner it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of a director as an officer or employee of that company or in favour of the payment of remuneration to the officers or employees of that company).

107 **Provision for employees**

The board may exercise the powers conferred on the Company by the Act to make provision for the benefit of a person employed or formerly employed by the Company or any of its subsidiary undertakings (or any member of his family, including a spouse or former spouse, or any person who is or was dependent on him) in connection with the cessation or the transfer to a person of the whole or part of the undertaking of the Company or the subsidiary undertaking.

108 **Registers**

Subject to the Act, the board may exercise the powers conferred on the Company with regard to the keeping in any territory of a branch, overseas, local or other register of

members resident in such territory and may make and vary regulations as it thinks fit concerning the keeping of any such register

109 **Borrowing powers**

- (A) Subject as hereinafter provided and to the provisions of the Act the directors may exercise all the powers of the Company to borrow money, and to mortgage or charge all or any part of its undertaking, property, assets (in each case, present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party
- (B) The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (so far, as regards subsidiary undertakings, as by such exercise they can secure) that the aggregate principal amount for the time being remaining outstanding of all moneys borrowed by the group (which expression in this article means and includes the Company and its subsidiary undertakings for the time being) and for the time being owing to persons outside the group shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to three times the Adjusted Capital and Reserves.
- (C) For the purpose of the foregoing limit the following provisions shall apply:-

- (i) the Adjusted Capital and Reserves shall mean the aggregate from time to time of:-

- (a) the amount paid up on the issued share capital of the Company, and
 - (b) the total of the capital and revenue reserves of the group (including, without limitation, any share premium account, capital redemption reserve fund, credit balance on the consolidated profit and loss account and credit balance on any other undistributable reserves) after adding thereto or deducting therefrom any balance standing to the credit or debit of the profit and loss account

all based on the then latest audited balance sheet of the group (prepared on the historical cost basis, modified to such extent as may be stated in the accounting policies used for the preparation of such balance sheet) but after -

- (c) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such reserves subsequent to the relevant balance sheet date and so that for this purpose (1) if any issue or proposed issue of shares by the Company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional) and (2) subject as aforesaid, share capital (including any premium) shall be deemed to have been paid up as soon as it had been unconditionally agreed to be subscribed or taken up (within six months of such agreement) by any person,

- (d) making such adjustments as may be appropriate in respect of any distributions declared, recommended or made by the Company or its subsidiaries (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the latest audited balance sheet of the Company or subsidiary undertaking (as the case may be) to the extent that such distribution is not provided for in such balance sheet,
 - (e) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiary undertakings since the date of such balance sheet,
 - (f) making all such adjustments, if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary undertaking, as would be appropriate if such transaction had been carried into effect,
 - (g) deducting any amount attributable to goodwill (other than goodwill arising on consolidation) and other intangible assets;
- (ii) there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed moneys of the relevant member of the group (to the extent that the same would not otherwise fall to be taken into account).-
- (a) the principal amount of all debentures of any member of the group which are not for the time being beneficially owned within the group,
 - (b) the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary undertaking of the Company not for the time being beneficially owned by other members of the group,
 - (c) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed moneys (not being shares or debentures which or borrowed moneys the indebtedness in respect of which is for the time being beneficially owned within the group) of any body whether corporate or unincorporate the redemption whereof is guaranteed or wholly or partly secured by any member of the group provided that any amount which falls to be treated as borrowed money under this sub-paragraph (ii) and which has been incurred in connection with the sale of any product or service of any member of the group or of any other entity in which any member of the group has an interest shall be reduced by a sum equal to the aggregate of (1) the estimated realisable value of any security available to any member of the group or other such entity (otherwise than from any other member of the group) in respect of such amount and (2) the amount of any insurance cover available to any such member or other such entity in respect of such amount For this purpose the directors may act in reliance on a bona fide estimate of the estimated realisable value of any such security or the amount of any such insurance cover but if a certificate by the auditors as to such value or such amount is requested such certificate shall be conclusive evidence of the same,

- (d) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account;
 - (e) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading which are outstanding for six months or less) by any member of the group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the group;
 - (f) any fixed amount in respect of any Finance Lease or Hire Purchase Agreement (as those expressions are hereinafter defined) payable by the Company or any of its subsidiaries which would be shown at the material time as an obligation in a balance sheet prepared in accordance with the accounting principles used in the preparation of the latest available audited balance sheet, for this purpose "Finance Lease" means a contract between a lessor and a member of the group as lessee or sub-lessee where substantially all the risks and rewards of the ownership of the asset leased or sub-leased are to be borne by the lessee or sub-lessee and "Hire Purchase Agreement" means a contract of hire between a hire purchase lender and the Company or a member of the group as hirer,
- (iii) moneys borrowed by any member of the group for the purpose of repaying or redeeming (with or without premium) in whole or in part any other borrowed moneys of that or any other member of the group falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account,
 - (iv) any amounts borrowed by any member of the group from bankers or others for the purpose of financing any contract in respect of which any part of the price receivable under the contract by that or any other member of the group is guaranteed or insured by the Export Credits Guarantee Department or by any other governmental department or agency fulfilling a similar function, up to an amount equal to that part of the price receivable under the contract which is so guaranteed or insured shall be deemed not to be borrowed moneys,
 - (v) moneys borrowed by a partly-owned subsidiary undertaking and not owing to another member of the group shall be taken into account subject to the exclusion of a proportion thereof equal to the relevant proportion and moneys borrowed and owing to a partly owned subsidiary undertaking by another member of the group shall be taken into account to the extent of a proportion thereof equal to the relevant proportion, for the purposes aforesaid "relevant proportion" shall mean the proportion of the issued equity share capital of such partly owned subsidiary undertaking which is not attributable to the Company;
 - (vi) moneys borrowed by any member of the group at the time it becomes a subsidiary undertaking of the Company and for a period of six months thereafter and moneys borrowed remaining secured on any asset acquired by a member of the group at the time of such acquisition and for a period of six months thereafter shall be deemed not to be borrowed moneys;

- (vii) there shall be credited against the amount of any moneys borrowed any amounts beneficially owned by the Company or any of its subsidiary undertakings which are deposited with any bank or other person (whether on current account or otherwise) not being the Company or one of its subsidiary undertakings and which are repayable to the Company or any of its subsidiary undertakings on demand or within three months of any demand, subject, in the case of money deposited by a partly owned subsidiary undertaking, to the exclusion of the relevant proportion (as defined in sub-paragraph (v) above);
- (viii) commitments of any member of the group under hire purchase agreements, operating and other leases (except any lease which constitutes a Finance Lease or Hire Purchase Agreement which would not be shown at the material time as an obligation in a balance sheet prepared in accordance with the accounting principles used in the preparation of the latest available audited balance sheet) shall be deemed not to be borrowed moneys;
- (ix) for the avoidance of doubt it is hereby expressly provided that for the purposes of the foregoing limit the following sums shall be deemed not to be borrowed moneys of the group -
 - (a) any and all sums retained by any member of the group (or their agent or nominee) under the terms of any contract or other arrangement relating to the construction of capital projects where the retention is made for the purposes of securing satisfactory completion and entry into service of the project for so long as, and to the extent that, any member of the group is entitled to retain such sums under the relevant contract or arrangement,
 - (b) sums advanced or paid to any member of the group (or their agent or nominee) by customers of any member of the group as prepayments or progress payments or payments on account or by way of deposit or security in respect of any products or services or under any sales contracts or settlements systems, and
 - (c) sums which otherwise would fall to be treated as borrowed moneys of any member of the group which were treated with the concurrence of the auditors and in accordance with any current Statement of Standard Accounting Practice or other accountancy principle or practice generally accepted for the time being in the United Kingdom in the latest audited balance sheet of the relevant member of the group on which such consolidation was based as otherwise than borrowed moneys of that member of the group,
- (x) any guarantee or indemnity given by any member of the group in respect of any amount or obligation deemed not to be borrowed moneys under any of the provisions of this article shall be deemed not to be borrowed moneys,
- (xi) when the aggregate amount of moneys borrowed at any material time is being ascertained -
 - (a) any particular borrowing then outstanding which is denominated or repayable in a currency other than sterling shall be translated for the purposes of calculating the sterling equivalent -

- (aa) with the exception of Excepted Foreign Currency Borrowings (as hereinafter defined), at the rate of exchange prevailing at the material time in London provided that the moneys comprising such borrowing shall be translated (if thereby such sterling amount would be less) at the option of the Company at the rate of exchange prevailing in London six months before such time, for the purposes of this sub-paragraph the rate of exchange shall be taken as the middle market rate as at the close of business in London on the relevant day or, if such day is not a business day, as supplied by such person or calculated on such basis as the auditors may determine or approve,
 - (bb) in the case of any Excepted Foreign Currency Borrowings, at the rate of exchange which would be applicable to the moneys comprising such borrowing on their repayment to the extent that such rate of exchange is fixed under any Exchange Cover Scheme (as hereinafter defined) in connection with such moneys borrowed provided that where it is not possible to determine the rate of exchange applicable at the time of repayment of any such moneys borrowed they shall be translated into sterling under the terms of the applicable Exchange Cover Scheme on such basis as may be agreed with, or determined by the auditors, or, if this is agreed by the auditors not to be practicable, in accordance with the provisions of sub-paragraph (aa) above,
- (b) For the purpose of this sub-paragraph (x1)-
 - (aa) "Excepted Foreign Currency Borrowings" means moneys borrowed denominated or repayable in a currency other than sterling which have the benefit of an Exchange Cover Scheme and "Exchange Cover Scheme" means any exchange cover scheme, forward currency contract, currency option, back to back loan, swap or other arrangement taken out or entered into to reduce the risks associated with fluctuations in exchange rates; and
 - (bb) where under the terms of any borrowing the amount of money which would be required to discharge the principal amount of moneys borrowed in full if it fell to be repaid (whether at the option of the company borrowing the same or by reason of default) at such material time is less than the amount which would otherwise be taken into account in respect of such moneys borrowed for the purposes of this article, the amount of such moneys borrowed to be taken into account shall be such lesser amount.
- (D) (i) For the purposes of this article "audited balance sheet" means the audited balance sheet of the Company prepared for the purposes of the Act or, if an audited consolidated balance sheet dealing with the state of affairs of the Company and all its subsidiary undertakings to be dealt with in group accounts has been prepared for those purposes for the same financial year, that audited consolidated balance sheet, in which event all references to

reserves and profit and loss shall be deemed to be references to consolidated reserves and consolidated profit and loss respectively and any amounts attributable to outside interests in subsidiary undertakings shall be excluded

- (11) A certificate or report by the auditors as to the amount of the Adjusted Capital and Reserves or the amount of any borrowings or to the effect that the limit imposed by this article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this article

Nevertheless for the purposes of this article the board may at any time act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves and if, in consequence, the limit herein before contained is inadvertently exceeded, an amount borrowed equal to the excess may be disregarded until the expiration of three months after the date on which by reason of a determination of the auditors or otherwise the directors become aware that such a situation has or may have arisen

Save as otherwise provided in this article, the latest audited balance sheet shall be definitive for the purposes of establishing the amount of Adjusted Capital and Reserves

- (111) If as a result of any change in legislation relating to or affecting taxation matters, any fixed amount payable by the Company or any of its subsidiaries in respect of any Finance Lease (as hereinbefore defined) shall increase and, if in consequence the limit hereinbefore contained is exceeded, an amount of borrowed moneys equal to the excess may be disregarded until the expiration of six months after the date on which the directors become aware that such a situation has arisen.
- (E) No person dealing with the Company or any of its subsidiary undertakings shall be concerned to see or enquire whether the limit imposed by the provisions of this article is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or security been given express notice that the said limit had been or would thereby be exceeded.

110 Register of charges

The Company shall keep a register of charges in accordance with the Act and the fee to be paid by a person other than a creditor or member for each inspection of the register of charges is the maximum sum prescribed by the Act or, failing which, decided by the board.

111 Directors' Interests

- (A) A director who is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company must declare, in accordance with the Act, the nature and extent of his interest to the other directors
- (B) A director who is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company must declare, in accordance with the Act, the nature and extent of his interest to the other directors unless the interest has been declared under paragraph (A) above
- (C) For the purposes of paragraphs (A) and (B) -

- (i) the declaration of interest must be made at a meeting of the directors or by notice in writing to the directors in accordance with section 184 of the Act or by general notice in accordance with section 185 of the Act,
 - (ii) if the declaration proves to be or becomes inaccurate or incomplete, a further declaration must be made;
 - (iii) a declaration in respect of a proposed transaction or arrangement must be made before the company enters into the transaction or arrangement,
 - (iv) a declaration in respect of an existing transaction or arrangement must be made as soon as is reasonably practicable,
 - (v) a declaration of an interest of which the director is not aware or where the director is not aware of the transaction or arrangement in question is not required; and
 - (vi) an interest of a person who is connected with a director shall be treated as an interest of the director
- (D) A director need not declare an interest under paragraphs (A) or (B) above.-
- (i) if it cannot reasonably be regarded as likely to give rise to a conflict of interest,
 - (ii) if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware); or
 - (iii) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered -
 - (a) by a meeting of the directors, or
 - (b) by a committee of the directors appointed for the purpose under the articles
- (E) Subject to the provisions of the Act, and provided that he has disclosed to the board the nature and extent of any interest of his in accordance with paragraphs (A) or (B) above, a director notwithstanding his office -
- (i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested,
 - (ii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested, and
 - (iii) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit

- (F) Any director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director
- (G) In the case of interests arising under paragraphs (A) or (B), save as otherwise provided in these articles, a director shall not vote at a meeting of the board or of a committee of the board on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material (otherwise than by virtue of his interest in shares, debentures or other securities of, or otherwise in or through, the Company) unless his interest or duty arises only because the case falls within one or more of the following paragraphs -
- (i) the resolution relates to the giving to him or a person connected with him of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by him or such a person at the request of or for the benefit of, the Company or any Subsidiary Undertaking,
 - (ii) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any Subsidiary Undertaking for which the director or a person connected with him has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security,
 - (iii) his interest arises by virtue of him or a person connected with him subscribing or agreeing to subscribe for any shares, debentures or other securities of the Company or any Subsidiary Undertaking or by virtue of him or a person connected with him being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the Company or any Subsidiary Undertaking for subscription, purchase or exchange,
 - (iv) the resolution relates in any way to any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in Part 22 of the Act) representing one per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company (excluding any shares in the company held as treasury shares and any voting rights attached thereto);
 - (v) the resolution relates in any way to an arrangement in whole or in part for the benefit of the employees of the Company or any Subsidiary Undertakings which does not award him as such any privilege or advantage not generally awarded to the employees to whom such arrangement relates,
 - (vi) the resolution relates in any way to the purchase or maintenance for the directors of insurance against any liability which by virtue of any rule of law would otherwise attach to all or any of them in respect of any negligence, default, breach of duty or breach of trust in relation to the Company or any Subsidiary Undertaking
- (H) A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote

- (I) 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 a body corporate in which the Company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- (J) If a question arises at a meeting of the board or of a committee of the board as to the right of a director to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question may (unless the director concerned is the chairman of the meeting in which case he shall withdraw from the meeting and the board shall elect a vice chairman to consider the question in place of the chairman), before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive except in a case where the nature or extent of the interest of the director concerned has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of the interest in the accounts of the Company, be finally and conclusively decided by a majority of the board (other than the director concerned)

112 Directors' powers to authorise conflicts of interest

- (A) The directors may authorise, to the fullest extent permitted by law, any matter proposed to them which would otherwise result in a director infringing his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest
- (B) Authorisation of a matter under paragraph (A) is effective only if -
 - (i) the matter has been proposed to the directors by its being submitted in writing for consideration at a meeting of the directors or for the authorisation of the directors by resolution in writing and in accordance with the board's normal procedures or in such other manner as the board may approve,
 - (ii) any requirement as to quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director, and
 - (iii) the matter has been agreed to without the director in question and any other interested director voting or would have been agreed to if their votes had not been counted
- (C) Any authorisation of a matter under paragraph (A) shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised
- (D) The board may authorise a matter pursuant to paragraph (A) on such terms and for such duration, or impose such limits or conditions on it, as it may decide and vary the terms or duration of such an authorisation (including any limits or conditions imposed on it) or revoke it. A director shall comply with any obligations imposed on him by the directors pursuant to any such authorisation

- (E) Any terms imposed by the board under paragraph (D) may include (without limitation).-
- (i) whether the director may vote (or be counted in the quorum) at a meeting of the board or any committee or sub-committee of the board in relation to any resolution relating to the relevant matter,
 - (ii) whether the director is to be given any documents or other information in relation to the relevant matter, and
 - (iii) whether the director is to be excluded from discussions in relation to the relevant matter at a meeting of the board or any committee or sub-committee of the board or otherwise.
- (F) The director shall not be required to disclose any confidential information obtained in relation to the relevant matter (other than through his position as a director of the Company) to the Company or to use or apply it in performing his duties as a director if to do so would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter
- (G) A director does not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act if he acts in accordance with such terms, limits and conditions (if any) as the board may impose in respect of its authorisation of the director's conflict of interest or possible conflict of interest under paragraph (A)
- (H) A director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under paragraph (A) and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit
- (I) A reference in these articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties

113 Directors' Interests - general

- (A) For the purposes of articles 111 and 112:-
- (i) an interest of a person connected with a director shall be treated as an interest of the director, and
 - (ii) h, before his name is entered in the register, has been properly served on a director.
- (B) The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these articles prohibiting a director from voting at a meeting of the board or of a committee of the board or ratify any contract, transaction or arrangement, or other proposal, not duly authorised by reason of a contravention of any provisions of these articles

PROCEEDINGS OF DIRECTORS AND COMMITTEES

114 Board meetings

Subject to the articles, the board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit

115 **Notice of board meetings**

A director may, and the secretary at the request of a director shall, summon a board meeting at any time. Notice of a board meeting is deemed to be duly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last-known address or another address given by him to the Company for that purpose or sent in electronic form to such address (if any) as may from time to time be notified by him or on his behalf to the Company for that purpose. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively. A director absent or intending to be absent from the United Kingdom may request that notices of board meetings during his absence be sent in writing to him at an address given by him to the Company for that purpose but such notices need not be given any earlier than notices given to directors not so absent. If no request is made it is not necessary to give notice of a board meeting to a director who is absent from the United Kingdom.

116 **Quorum**

The quorum necessary for the transaction of business may be decided by the board and until otherwise decided is two directors present in person or by alternate director. A duly convened meeting of the board at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the board. Any director who ceases to be a director at a meeting of the directors may continue to be present and to act as a director and be counted in the quorum until the termination of the meeting of the directors if no director objects and if otherwise a quorum of directors would not be present.

117 **Chairman of board**

The board may appoint one of its body as chairman to preside at every board meeting at which he is present and one or more deputy chairman or chairmen and decide the period for which he is or they are to hold office (and may at any time remove him or them from office). If no chairman or deputy chairman is elected, or if at a meeting neither the chairman nor a deputy chairman is present within five minutes of the time fixed for the start of the meeting, the directors and alternate directors (in the absence of their appointors) present shall choose one of their number to be chairman. If two or more deputy chairmen are present, the senior of them shall act as chairman, seniority being determined by length of office since their last appointment or reappointment or deemed reappointment. As between two or more who have held office for an equal length of time, the deputy chairman to act as chairman shall be decided by those directors and alternate directors (in the absence of their appointors) present. A chairman or deputy chairman may hold executive office or employment with the Company.

118 **Voting**

Questions arising at a meeting of the board are determined by a majority of votes. In case of an equality of votes the chairman has a second or casting vote.

119 **Participation by telephone**

A director or his alternate director may participate in a meeting of the board or a committee of the board through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is

deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the board or a committee of the board is for the purposes of the articles deemed to be validly and effectively transacted at a meeting of the board or a committee of the board although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is

120 Resolution in writing

A resolution in writing signed by all directors for the time being entitled to receive notice of a board meeting and not being less than a quorum or by all members of a committee of the board is as valid and effective for all purposes as a resolution passed at a meeting of the board (or committee, as the case may be). The resolution in writing may consist of several documents in hard copy form and/or sent by electronic means in like form each signed by one or more of the directors or members of the relevant committee. The resolution in writing need not be signed by an alternate director if it is signed by his appointor and a resolution signed by an alternate director need not be signed by his appointor.

121 Proceedings of committees

- (A) Proceedings of committees of the board shall be conducted in accordance with terms prescribed by the board (if any). Subject to those terms and article 121(B), proceedings shall be conducted in accordance with applicable provisions of the articles regulating the proceedings of the board.
- (B) Where the board resolves to delegate any of its powers, authorities and discretions to a committee and that resolution states that the committee shall consist of any one or more unnamed directors, it is not necessary to give notice of a meeting of that committee to directors other than the director or directors who form the committee.

122 Minutes of proceedings

- (A) The board shall cause minutes to be made in books kept for the purpose of
 - (i) all appointments of officers and committees made by the board and of any remuneration fixed by the board, and
 - (ii) the names of directors present at every meeting of the board, committees of the board, the Company or the holders of a class of shares or debentures, and all orders, resolutions and proceedings of such meetings.
- (B) If purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting, minutes are receivable as prima facie evidence of the matters stated in them.

123 Validity of proceedings of board or committee

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

qualified and had continued to be a director, alternate director or member of a committee and entitled to vote

SECRETARY AND AUTHENTICATION OF DOCUMENTS

124 Secretary

- (A) Subject to the Act, the board shall appoint a secretary or joint secretaries and may appoint one or more persons to be an assistant or deputy secretary on such terms and conditions (including, without limitation, remuneration) as it thinks fit. The board may remove a person appointed pursuant to this article from office and appoint another or others in his place.
- (B) The directors may also appoint from time to time on such terms as they may think fit a Deputy Secretary or one or more Assistant Secretaries and, subject as otherwise provided by the directors, anything required or authorised to be done by or to the Secretary may be done by or to any such Deputy Secretary or Assistant Secretary so appointed.
- (C) Any provision of the Act or of the articles requiring or authorising a thing to be done by or to a director and the secretary is not satisfied by its being done by or to the same person acting both as director and as, or in the place of, the secretary.

125 Authentication of documents

- (A) A director or the secretary or another person appointed by the board for the purpose may authenticate documents affecting the constitution of the Company (including, without limitation, the articles) and resolutions passed by the Company or holders of a class of shares or the board or a committee of the board and books, records, documents and accounts relating to the business of the Company, and to certify copies or extracts as true copies or extracts, and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the directors as aforesaid.
- (B) Where these articles require a notice or other document to be signed or authenticated by a member or other person then any notice or other document sent or supplied in electronic form is sufficiently authenticated in any manner authorised by the Act or in such other manner as may be approved by the directors. The directors may designate mechanisms for validating any such notice or other document and any such notice or other document not so validated by use of such mechanisms shall be deemed not to have been received by the Company. Except in the case of manifest error a document which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company in good faith that the document is true and complete and in the case of a copy of a resolution or an extract from the minutes of the board or any committee of the board that such copy or extract is a true and accurate record of proceedings at a duly constituted meeting.

SEALS

126 Safe custody

The board shall provide for the safe custody of every seal and any securities seal.

127 Application of seals

A seal may be used only by the authority of a resolution of the board or of a committee of the board. The board may decide who will sign an instrument to which a seal is affixed either generally or in relation to a particular instrument or type of instrument. Every share certificate shall be issued under the seal or under the securities seal or in such other manner as the directors, having regard to the terms of issue, and the Act may authorise. The board may also decide, either generally or in a particular case, that a signature may be dispensed with or affixed by mechanical means. Unless otherwise decided by the board.

- (i) share certificates and certificates issued in respect of debentures or other securities (subject to the provisions of the relevant instrument) need not be signed or, if signed, a signature may be applied by mechanical or other means or may be printed, and
- (ii) every other instrument to which a seal is affixed shall be signed by one director and by the secretary or a second director

128 Securities seal

The securities seal shall be used only for 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

129 Execution under seal

Where the Act so permit, any instrument signed by two authorised signatories of the Company (as defined in section 44 of the Act) or by a director of the Company in the presence of a witness and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if it were executed under the seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed (in whatever form of words) without the authority of the directors or of a committee authorised by the directors in that behalf

130 Official seal for use abroad

The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad, and those powers shall be vested in the board

RESERVES

131 Reserves

The directors may from time to time set aside out of the profits of the Company and carry to reserve such sums 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 be properly applied and pending such application may either be employed in the business of the Company or be invested. The directors may divide the 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. In carrying sums to reserve and in applying the same the directors shall comply with the provisions of the Act

DIVIDENDS AND OTHER PAYMENTS

132 Declaration of dividends

Subject to the Act and the articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests, but no dividend may exceed the amount recommended by the board

133 Interim dividends

- (A) If and so far as in the opinion of the directors the profits of the Company justify such payments, the directors may declare and 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
- (B) Subject to the Act, the board may declare and pay such interim dividends (including, without limitation, a dividend payable at a fixed rate) as appear to it to be justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the board may pay interim dividends on shares which rank after shares conferring preferred rights with regard to dividend as well as on shares with preferred rights, unless at the time of payment a preferential dividend is in arrear. The directors may also declare and pay at intervals settled by them any dividend payable at a fixed rate if it appears to the directors that the profits available for distribution justify the payment. If the board acts in good faith, it does not incur any liability to the holders of shares conferring preferred rights for a loss they may suffer by the lawful payment of an interim dividend on shares ranking after those with preferred rights

134 Entitlement to dividends

Except as otherwise provided by the rights attached to shares, a dividend shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid, but no amount paid up on a share in advance of a call may be treated for the purpose of this article as paid up on the share. Dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly

135 Revenue account

Subject to the Act, where any interest in the share capital of a company or where any asset, business or property is acquired by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof

136 Method of payment

- (A) The Company may pay any dividend, interest or other amount payable in respect of a share (i) in cash, (ii) by cheque, warrant or money order made payable to or to the

order of the person entitled to the payment (and may, at the Company's option, be crossed "account payee" where appropriate), (iii) by a bank or other funds transfer system to an account designated in writing by the person entitled to the payment, or (iv) by such other method as the person entitled to the payment may in writing direct

- (B) The Company may send a cheque, warrant or money order by post (i) in the case of a sole holder, to his registered address, (ii) in the case of joint holders, to the registered address of the person whose name stands first in the register, (iii) in the case of a person or persons entitled by transmission to a share, as if it were a notice given in accordance with article 156, or (iv) in any case, to a person and address that the person or persons entitled to the payment may in writing direct
- (C) Where a share is held jointly or two or more persons are jointly entitled by transmission to a share, (i) the Company may pay any dividend, interest or other amount payable in respect of that share to any one joint holder, or any one person entitled by transmission to the share, and in either case that holder or person may give an effective receipt for the payment, and (ii) for any of the purposes of this article 136, the Company may rely in relation to a share on the written direction or designation of any one joint holder of the share, or any one person entitled by transmission to the share
- (D) Every cheque, warrant or money order sent by post is sent at the risk of the person entitled to the payment. If payment is made by bank or other funds transfer, or by another method at the direction of the person entitled to payment, the Company is not responsible for amounts lost or delayed in the course of transfer or in carrying out those directions
- (E) Without prejudice to article 70, the board may withhold payment of a dividend (or part of a dividend) payable to a person entitled by transmission to a share until he has provided any evidence of his right that the board may reasonably require

137 Dividends not to bear interest

No dividend or other amount payable by the Company in respect of a share bears interest as against the Company unless otherwise provided by the rights attached to the share

138 Calls or debts may be deducted from dividends etc.

The board may deduct from a dividend or other amounts payable to a person in respect of a share amounts due from him to the Company on account of a call or otherwise in relation to a share.

139 Retention of dividends

The directors may retain any dividend or other moneys 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.

140 Unclaimed dividends etc.

Any unclaimed dividend, interest or other amount payable by the Company in respect of a share may be invested or otherwise made use of by the board for the benefit of the Company until claimed. A dividend unclaimed for a period of 12 years from the date it was declared or became due for payment is forfeited and ceases to remain owing by the Company. The payment of an unclaimed dividend, interest or other amount payable by the Company in respect of a share into a separate account does not constitute the Company a trustee in respect of it.

141 Uncashed dividends

If, in respect of a dividend or other amount payable in respect of a share, on any one occasion

- (i) a cheque, warrant or money order is returned undelivered or left uncashed, or
- (ii) a transfer made by a bank or other funds transfer system is not accepted,

and reasonable enquiries have failed to establish another address or account of the person entitled to the payment, the Company is not obliged to send or transfer a dividend or other amount payable in respect of that share to that person until he notifies the Company of an address or account to be used for that purpose. If the cheque, warrant or money order is returned undelivered or left uncashed or transfer not accepted on two consecutive occasions, the Company may exercise this power without making any such enquiries.

142 Effectiveness of waiver

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, bankruptcy or mental disorder of the holder or otherwise by operation of law) and delivered to the Company and only if or to the extent that the same is accepted as such or acted upon by the Company.

143 Payment of dividends in specie

Without prejudice to article 70, the board may, with the prior authority of an ordinary resolution of the Company, direct that payment of a dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of another company. Where a difficulty arises in connection with the distribution, the board may settle it as it thinks fit and in particular, without limitation, may (i) issue fractional certificates (or ignore fractions), (ii) fix the value for distribution of the specific assets (or any part of them), (iii) decide that a cash payment be made to a member on the basis of the value so fixed, in order to secure equality of distribution, and (iv) vest assets in trustees on trust for the persons entitled to the dividend as seems expedient to the board.

144 Payment of scrip dividends

- (A) Subject to the Act, but without prejudice to article 70, the board may, with the prior authority of an ordinary resolution of the Company, allot to those holders of a particular class of shares who have elected to receive them further shares of that class or ordinary shares in either case credited as fully paid ("**new shares**") instead of cash in respect of all or part of a dividend or dividends specified by the resolution, subject to any exclusions, restrictions or other arrangements the board may in its absolute discretion deem necessary or expedient to deal with legal or practical problems under

the laws of, or the requirements of a recognised regulatory body or a stock exchange in, any territory

- (B) Where a resolution under paragraph (A) is to be proposed at a general meeting and the resolution relates in whole or in part to a dividend to be declared at that meeting, then the resolution declaring the dividend is deemed to take effect at the end of that meeting
- (C) A resolution under article paragraph (A) may relate to a particular dividend or to all or any dividends declared or paid within a specified period, but that period may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which the resolution is passed
- (D) The board shall determine the basis of allotment of new shares so that, as nearly as may be considered convenient without involving rounding up of fractions, the value of the new shares (including a fractional entitlement) to be allotted (calculated by reference to the average quotation, or the nominal value of the new shares, if greater) equals (disregarding an associated tax credit) the amount of the dividend which would otherwise have been received by the holder (the "**relevant dividend**") For this purpose the "**average quotation**" of each of the new shares is the average of the middle-market quotations for a fully-paid share of the Company of that class derived from the Daily Official List of the London Stock Exchange on the business day on which the relevant class of shares is first quoted "ex" the relevant dividend (or such other date as the board may deem appropriate to take account of any subsequent issue of shares by the Company) and the four subsequent business days or shall be as determined by or in accordance with the resolution under paragraph (A)
- (E) The board may make any provision it considers appropriate in relation to an allotment made or to be made pursuant to this article (whether before or after the passing of the resolution under paragraph (A)), including, without limitation
 - (i) the giving of notice to holders of the right of election offered to them,
 - (ii) the provision of forms of election (whether in respect of a particular dividend or dividends generally),
 - (iii) determination of the procedure for making and revoking elections,
 - (iv) the place at which, and the latest time by which, forms of election and other relevant documents must be lodged in order to be effective, and
 - (v) the disregarding or rounding up or down or carrying forward of fractional entitlements, in whole or in part, or the accrual of the benefit of fractional entitlements to the Company (rather than to the holders concerned)
- (F) The dividend (or that part of the dividend in respect of which a right of election has been offered) is not declared or payable on shares in respect of which an election has been duly made (the "**elected shares**"), instead new shares are allotted to the holders of the elected shares on the basis of allotment calculated as in paragraph (D) For that purpose, the board may resolve to capitalise out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, a sum equal to the aggregate nominal amount of the new shares to be allotted and apply it in paying up in full the appropriate number of new shares for allotment and distribution to the holders of the elected shares A resolution of the board capitalising part of the reserves has the same

effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to article 145. In relation to the capitalisation the board may exercise all the powers conferred on it by article 145 without an ordinary resolution of the Company.

- (G) The new shares rank *pari passu* in all respects with each other and with the fully-paid shares of the same class in issue on the record date for the dividend in respect of which the right of election has been offered, but they will not rank for a dividend or other distribution or entitlement which has been declared or paid by reference to that record date.

145 Capitalisation Of Profits

Subject to the Act, the board may, with the authority of an ordinary resolution of the Company

- (i) resolve to capitalise an amount standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution,
- (ii) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amount of shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards

- (a) paying up the amounts (if any) for the time being unpaid on shares held by them respectively, or

- (b) paying up in full new shares or debentures of a nominal amount equal to that sum,

and allot the shares or debentures, credited as fully paid, to the members (or as they may direct) in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this article, only be applied in paying up new shares to be allotted to members credited as fully paid,

- (iii) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where shares or debentures become distributable in fractions the board may deal with the fractions as it thinks fit, including issuing fractional certificates, disregarding fractions or selling shares or debentures representing the fractions to a person for the best price reasonably obtainable and distributing the net proceeds of the sale in due proportion amongst the members (except that if the amount due to a member is less than £3, or such other sum as the board may decide, the sum may be retained for the benefit of the Company);

- (iv) authorise a person to enter (on behalf of all the members concerned) an agreement with the Company providing for either

- (a) the allotment to the members respectively, credited as fully paid, of shares or debentures to which they may be entitled on the capitalisation, or

- (b) the payment by the Company on behalf of the members (by the application of their respective proportions of the reserves resolved to be

capitalised) of the amounts or part of the amounts remaining unpaid on their existing shares,

an agreement made under the authority being effective and binding on all those members; and

- (v) generally do all acts and things required to give effect to the resolution

146 Record Dates

Notwithstanding any other provision of the articles, but subject to the Act and rights attached to shares, the Company or the board may fix any date as the record date for a dividend, distribution, allotment or issue. The record date may be on or at any time before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid.

ACCOUNTS

147 Keeping and inspection of accounts

- (A) The board shall ensure that accounting records are kept in accordance with the Act
- (B) The accounting records shall be kept at the office or, subject to the Act, at another place decided by the board and shall be available during business hours for the inspection of the directors and other officers. No member (other than a director or other officer) has the right to inspect an accounting record or other document except if that right is conferred by the Act or he is authorised by the board

148 Accounts to be sent to members etc.

- (A) In respect of each financial year, a copy of the Company's annual accounts, directors' report and auditors' report on those accounts shall be sent or delivered to

- (i) every member (whether or not entitled to receive notices of general meetings),
- (ii) every holder of debentures (whether or not entitled to receive notices of general meetings), and
- (iii) every other person who is entitled to receive notices of general meetings,

not less than 21 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the Act. This article does not require copies of the documents to which it applies to be sent or delivered to

- (a) a member or holder of debentures of whose address the Company is unaware, or
- (b) more than one of the joint holders of shares or debentures

but any member or holder of debentures to whom a copy of these documents has been sent shall be entitled to receive a copy free of charge on application at the office.

- (B) If all or any of the shares or debentures of the Company shall for the time being be listed or dealt in on any stock exchange there shall be forwarded to the appropriate officer of that stock exchange such number of copies of such documents as may for the time being be required under its regulations or practice

- (C) Where permitted by the Act, a summary financial statement derived from the Company's annual accounts and the directors' report and auditors' report in the form and containing the information prescribed by the Act may be sent or delivered to a person in place of the documents required to be sent or delivered by paragraph (A).

AUDITORS

149 Acts of auditors

Subject to the Act, all acts done by any person acting as an auditor to the Company shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there is some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified

150 Entitlement to attend meetings etc.

An auditor shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns him as auditor

NOTICES

151 Notices to be in writing

A notice to be given to or by a person pursuant to the articles shall be in writing

152 Service of notices and other documents on members and on the Company

- (A) A notice or other document may be given to a member by the Company either personally or by sending it by post in a pre-paid envelope addressed to the member at his registered postal address, or by leaving it at that address (or at another address notified for the purpose) in an envelope addressed to the member, or by sending it in electronic form to an address for the time being notified to the Company by or on behalf of the member for that purpose or by way of publication on a website and notifying the member of its availability in accordance with the Act. A member shall be deemed to have agreed that the Company may send or supply a document or information by means of a website if the conditions set out in the Act have been satisfied. A notice convening a meeting of the board or of a committee of the board need not be in writing
- (B) In the case of joint holders of a share, a notice or other document shall be given to whichever of them is named first in the register in respect of the joint holding and notice given in this way is sufficient notice to all joint holders
- (C) If a member (or, in the case of joint holders, the person first named in the register) has a registered postal address outside the United Kingdom but has notified the Company of an address in the United Kingdom at which notices or other documents may be given to him, he is entitled to have notices given to him at that address, but otherwise no such member or person is entitled to receive a notice or other document from the Company through the postal system

- (D) In the case of a member registered on a branch, overseas or local register any notices or documents may be posted either in the United Kingdom or in the territory in which the branch or overseas register is maintained
- (E) Subject to the Act, a document or notice may be given to the Company in electronic form only if it is given in such form and manner and to such address as may have been specified by the directors from time to time for the receipt of documents in electronic form

153 Notice by advertisement

If by reason of the suspension or curtailment of postal services in the United Kingdom the Company is unable effectively to convene a general meeting by notices sent by post, the board may, in its absolute discretion and as an alternative to any other method of service permitted by the articles, resolve to convene a general meeting by a notice advertised on its website and in at least one United Kingdom national newspaper, and in electronic form to those members who, in accordance with the Act, the Company is able to give notice by electronic means (and who have provided the Company with an address for this purpose) In this case the Company shall send confirmatory copies of the notice by post to those members who would otherwise receive the notice in hard copy form if at least seven clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable

154 Evidence of service

- (A) Proof that an envelope containing a notice in writing, document or other communication was properly addressed, prepaid and put into the post shall be conclusive evidence that the notice, document or communication was sent Proof that a notice, document or other communication in electronic form was addressed to the electronic address provided by the member for the purpose of receiving information by electronic means shall be conclusive evidence that the communication was sent If the Company receives a delivery failure notification following a communication by electronic means the Company shall send or supply the document or notice in hard copy form or electronic form (but not by electronic means) to the member either personally or by sending it by post in accordance with these articles A notice in writing, document or other communication or information shall be deemed to have been given
 - (i) if left at a registered address or address at which a notice in writing, document or other communication may be given, on the day on which it was so left,
 - (ii) if sent by first class post, on the day following that on which the envelope containing it was put into the post,
 - (iii) if sent by second class post, on the second day following that on which the envelope containing it was put into the post,
 - (iv) if sent by electronic means on the day on which the communication was sent, notwithstanding that the company subsequently sends a hard copy of such notice, document or information by post, and
 - (v) if made available on a website, on the day on which the notice, document or other information was first made available on the website or, if later, when

the recipient was deemed to have received notification of the fact that the material was available on the website, in accordance with this article

- (B) Where notice is given by newspaper advertisement, the notice is deemed to be given to all members and other persons entitled to receive it at noon on the day when the advertisement appears or, where notice is given by more than one advertisement and the advertisements appear on different days, at noon on the last of the days when the advertisements appear
- (C) A member present in person or by proxy or, in the case of a member which is a corporation, by a duly authorised representative at a meeting or of the holders of a class of shares is deemed to have received due notice of the meeting and, where required, of the purposes for which it was called

155 Notice binding on transferees etc.

A person who becomes entitled to a share by transmission, transfer or otherwise is bound by a notice in respect of that share (other than a notice served by the Company under section 793 of the Act) which, before his name is entered in the register, has been properly served on a person from whom he derives his title

156 Notice in case of entitlement by transmission

Where a person is entitled by transmission to a share, the Company may give a notice or other document to that person as if he were the holder of a share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt member (or by similar designation) at an address in the United Kingdom supplied for that purpose by the person claiming to be entitled by transmission. Until an address has been supplied, a notice or other document may be given in any manner in which it might have been given if the death or bankruptcy or other event had not occurred. The giving of notice in accordance with this article is sufficient notice to any other person interested in the share

MISCELLANEOUS

157 Destruction of documents

- (A) The Company may destroy
 - (i) a share certificate which has been cancelled at any time after one year from the date of cancellation,
 - (ii) a mandate for the payment of dividends or other amounts or a variation or cancellation of a mandate or a notification of change of name or address at any time after two years from the date the mandate, variation, cancellation or notification was recorded by the Company,
 - (iii) an instrument of transfer of shares (including a document constituting the renunciation of an allotment of shares) which has been registered at any time after six years from the date of registration,
 - (iv) any other document on the basis of which any entry in the register is made at any time after six years from the date an entry in the register was first made in respect of it,

- (v) all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment thereof, and
 - (vi) all instruments of proxy which have been used for the purpose of a poll at any time after the expiration of one year from the date of such use and all instruments of proxy which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the instrument of proxy relates and at which no poll was demanded
- (B) It is presumed conclusively in favour of the Company that every share certificate destroyed was a valid certificate validly cancelled, that every instrument of transfer destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company, but:
- (i) the provisions of this article apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of the document is relevant to a claim,
 - (ii) nothing contained in this article imposes on the Company liability in respect of the destruction of a document earlier than provided for in this article or in any case where the conditions of this article are not fulfilled; and
 - (iii) references in this article to the destruction of a document include reference to its disposal in any manner

158 **Winding Up**

- (A) The directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up
- (B) If the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the members in proportion to the capital which at the commencement of the winding up is paid up, or ought to have been paid up, on the shares held by them respectively and, if such surplus assets are insufficient to repay the whole of the paid up capital, they are to be distributed so that, as nearly as may be the losses are borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. Provided that this article is to be subject to the rights attached to any shares which may be issued on special terms or conditions
- (C) On a voluntary winding up of the Company the liquidator may, on obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or of different kinds. For this purpose the liquidator may set the value he deems fair on a class or classes of property, and may determine on the basis of that valuation and in accordance with the then existing rights of members how the division is to be carried out between members or classes of members. The liquidator may not, however, distribute to a member without his consent an asset to which there is attached a liability or potential liability for the owner

159 **Indemnity of officers, funding directors' defence costs and power to purchase insurance**

- (A) To the extent permitted by the Act and without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director or other officer of the

Company or an associated company (other than any person (whether or not an officer of the Company) engaged by the Company or an associated company as auditor) shall be and shall be kept indemnified out of the assets of the Company

- (i) against all costs, charges, losses and liabilities ("Liabilities") incurred by him (whether in connection with any negligence, default, breach of duty or breach of trust by him or otherwise) in or about the exercise or purported exercise of his duties or the exercise or purported exercise of his powers or otherwise in relation to the Company or associated company, and
 - (ii) where the Company or associated company is a trustee of an occupational pensions scheme, against Liabilities incurred by him (whether in connection with any negligence, default, breach of duty or breach of trust by him or otherwise) in connection with the company concerned's activities as trustee of the scheme
- (B) To the extent permitted by the Act, the Company may purchase and maintain insurance for any person who is or was a director of the Company or of an associated company against any loss or liability attaching to him or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or associated company