

The Companies Acts 1985 and 2006

Public Company Limited by Shares

Resolutions

of

Pennant International Group plc

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219

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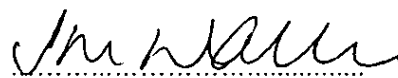
At the Annual General Meeting of Pennant International Group plc, duly convened and held on 21 July 2009, the following resolutions were duly passed, resolutions 1 and 2 as ordinary resolutions and resolutions 3 to 6 inclusive as special resolutions:

Resolutions

- 1 That the general, unconditional authority conferred upon the directors by the Articles of Association to allot relevant securities under section 80 of the Companies Act 1985 be renewed for the period ending on the date of the Annual General Meeting of the Company held in 2010 or 21 October 2010, whichever is earlier, and that the maximum amount of relevant securities which can be allotted is £533,333.
- 2 That in substitution for all previous authorities, which are hereby revoked, the Company be and is hereby generally and unconditionally authorised for the purposes of section 166 of the Companies Act 1985 to make one or more market purchases (within the meaning of section 163 of the said Act) of ordinary shares of 5p each in the capital of the Company ("Ordinary Shares") provided that:
  - (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is up to 15% of the Ordinary Shares in issue at the date of this meeting, being 4,423,057 Ordinary Shares if no more Ordinary Shares are purchased by the Company between the date of the notice convening this meeting and the date of this meeting;
  - (b) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to 105 per cent. of the average of the middle market quotations for an Ordinary Share taken from the Daily Official List of the London Stock Exchange Plc for the five business days immediately preceding the day on which the Ordinary Share is purchased;
  - (c) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is 5p;
  - (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2010;
  - (e) the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts;
  - (f) the foregoing authority may not be exercised if the result thereof would be to require any person to make a mandatory offer for the whole of the ordinary share capital of

the Company not already owned by him or persons acting in concert with him pursuant to Rule 9 of the City Code on Takeovers and Mergers.

- 3 That the share capital of the Company be reduced by the cancellation of the Company's share premium account.
- 4 That the period during which the power conferred upon the directors by the Articles of Association to allot equity securities entirely paid for in cash free of the restriction in section 89(1) of the Companies Act 1985 be fixed as the period ending on the date of the Annual General Meeting of the Company held in 2010 or on 21 October 2010, whichever is the earlier, and that the limit on the maximum amount of equity securities that can be allotted under that power be and is fixed as £160,000.
- 5 That with effect from 00.01 a.m. on 1 October 2009:
  - (a) the Articles of Association of the company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of Section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and
  - (b) the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.
- 6 That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

  
Director

**The Companies Acts 1985 and 2006**



**Company Limited by Shares**

**ARTICLES OF ASSOCIATION**

Adopted by a Special Resolution passed on 21 July 2009

of

**PENNANT INTERNATIONAL GROUP plc**

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**PRELIMINARY ARTICLES**

**1 EXCLUSION OF TABLE A**



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30/07/2009  
COMPANIES HOUSE

218

The regulations in Table A of the Companies (Tables A to F) Regulations 1985, and any similar regulations in any other legislation relating to companies, do not apply to the Company.

**2 DEFINITIONS**

- 2.1 In the Articles, unless the context otherwise requires, the words and phrases used below shall bear the following meanings:

**Words**

**Definitions**

AIM

A market operated by the London Stock Exchange

amount (of a share)

This refers to the nominal value of the share

Approved Depositary

This means someone appointed:

(a) to hold the Company's shares or any rights or interests in any of the Company's shares; and

(b) to issue securities, documents of title or other documents which evidence that the holder of them owns or is entitled to receive the shares, rights or interests held by the Approved Depositary.

A nominee acting for someone appointed to do these things will also be treated as an Approved Depositary. But the arrangements for the Approved Depositary to do

the things described above must be approved by the directors. The trustees of any scheme or arrangements for or principally for the benefit of employees of the Group will also be treated as an Approved Depositary unless the directors decide otherwise. References in the Articles to an Approved Depositary or to shares held by it refer only to an Approved Depositary and to its shares held in its capacity as an Approved Depositary.

Articles	The Company's Articles of Association, including any changes made to them.
associated company	A company which is a subsidiary of another or both are subsidiaries of the same corporate body.
Companies Act	The Companies Act 2006 as amended, restated or re-enacted from time to time.
company	Includes any corporate body.
the Company	Pennant International Group plc.
CREST Regulations	The Uncertificated Securities Regulations 2001.
director	A director of the Company.
dividend arrears	This includes any dividends on shares with cumulative rights which could not be paid, but which have been carried forward.
General Meeting	A meeting of holders of the Company's shares held in accordance with the Articles.
Group	The Company and its subsidiaries.
holder	A person whose name is entered in the Register as a holder of any of the Company's shares.
legislation	The Companies Act, the CREST Regulations and all other laws and regulations applying to the Company including those of any relevant listing authority or Recognised Investment Exchange.
London Stock Exchange	London Stock Exchange plc.
Memorandum	The Company's memorandum of association, including any changes made to it.
Operator	A person who is approved by the Treasury under the CREST Regulations as an operator of a relevant system.

Ordinary Shareholder	A holder of the Company's Ordinary Shares.
Ordinary Shares	Ordinary shares of 5p each in the Company.
paid-up	Paid-up or credited as paid-up.
Recognised Clearing House	A clearing house granted recognition under the Financial Services and Markets Act 2000.
Recognised Investment Exchange	An investment exchange granted recognition under the Financial Services and Markets Act 2000.
Register	The Company's register of members.
Registered Office	The Company's registered office.
relevant director	any director or former director of the Company or an associated company.
relevant system	A relevant system as defined in the CREST Regulations in which the Operator of the relevant system has permitted the Company's shares or securities (or the relevant shares or securities) to be transferred.
Seal	The Company's Common Seal or any other official seal kept by the Company.
Secretary	Any person appointed (whether individually or jointly) by the directors to carry out the duties of the Company Secretary including any assistant or deputy secretary.
shareholders' meeting	Includes both a General Meeting of the Company and a meeting of any class of holders of the Company's shares.
subsidiary	A "subsidiary undertaking", as defined in Section 1162 of the Companies Act.
United Kingdom	Great Britain and Northern Ireland.
in writing	In writing, or any substitute for writing, or both.
2.2	References to a debenture include debenture stock and references to a debenture holder include a debenture stockholder.
2.3	Where the Articles refer to a person who is entitled to a share by operation of law, this includes a person who is entitled to the share as a result of the death or bankruptcy of a shareholder if the Company has been notified of their entitlement.

- 2.4 Words which refer to a single number also refer to plural numbers and vice versa.
- 2.5 Words which refer to males also refer to females and vice versa.
- 2.6 References to a person or people include companies and unincorporated associations.
- 2.7 References to the directors refer to the directors acting as the board of directors, unless the context otherwise requires.
- 2.8 Any headings in the Articles are only included for convenience. They do not affect the meaning of the Articles.
- 2.9 When any legislation, or a specific provision of legislation, is referred to, this includes any amendment to such legislation or provision, as well as any later legislation in which it is re-enacted.
- 2.10 When any legislation or the Articles are referred to, the version which is current at any particular time will apply.
- 2.11 Any word or expression which is defined in the Companies Act or the CREST Regulations means the same in the Articles, unless the Articles define it differently, or the context otherwise requires.
- 2.12 Where the Articles give a power or authority to anybody, this power or authority can be used on any number of occasions, unless the way in which the word is used does not allow this meaning.
- 2.13 Where the Articles say that anything can be done by passing an Ordinary Resolution, this can also be done by passing a Special Resolution.
- 2.14 Where the Articles refer to changing the amount of shares this means doing any or all of the following:
  - 2.14.1 subdividing the shares into other shares with a smaller nominal amount;
  - 2.14.2 consolidating the shares into other shares with a larger nominal amount; and
  - 2.14.3 dividing the shares which have been consolidated into shares with a larger nominal amount than the original shares had.
- 2.15 Where the Articles refer to any document being executed this means being signed, sealed or executed in some other legally valid way.
- 2.16 Where the Articles refer to months or years, these are calendar months or years.
- 2.17 Where the Articles refer to clear days, the number of days does not include the two days between which the interval is measured. For example if notice is required to be given a number of clear days before a meeting, neither the date notice is delivered nor the date of the meeting is taken into account.

- 2.18 Where the Articles refer to a share being (or to shares held) in certificated form, this means that title to the share is recorded on the Register and is evidenced by a share certificate.
- 2.19 Where the Articles refer to a share being (or to shares held) in uncertificated form, this means that title to the share is recorded on the Register but is not evidenced by a share certificate, and that it may be transferred by means of the relevant system.
- 2.20 Where any of the shares of the Company are held in treasury in accordance with Section 724 of the Companies Act the terms of any relevant legislation will prevail over the terms of these Articles in so far as they relate to treasury shares.

## **SHARE CAPITAL**

### **3 FORM OF THE COMPANY'S SHARE CAPITAL**

The Company's share capital as at the date of adoption of these articles consists of an unlimited number of ordinary shares of 5p each.

### **4 LIMITED LIABILITY**

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

### **5 APPLICATION OF THE ARTICLES TO NEW SHARES**

The provisions of the Articles about payment of calls, transfer, automatic entitlement by law, forfeiture, lien and all other things apply to new shares in the same way as if they were part of the Company's existing share capital.

### **6 THE POWER TO CHANGE CAPITAL**

The shareholders can pass Ordinary Resolutions to do any of the following:

- 6.1 to consolidate, or consolidate and then divide, all or any of its share capital into shares of a larger nominal amount than the existing shares;
- 6.2 to divide some or all of its shares into shares which are of a smaller nominal amount than its existing shares. This is subject to any restrictions under the legislation. The resolution may provide that, as between the holders of the divided shares, different rights and restrictions of a kind which the Company can apply to new shares may apply to different divided shares.

### **7 FRACTIONS OF SHARES**

- 7.1 If any shares are consolidated or divided, the directors have power to deal with any fractions of shares which result or any other difficulty that arises as a result of the consolidation or division. For example the directors can sell any shares representing fractions to any person (including the Company, if the legislation allows this) and can authorise any person to transfer the shares to the buyer or in accordance with the buyer's directions. If the directors decide to sell, they can distribute the net proceeds of sale among members in proportion to their fractional entitlements or retain them

for the benefit of the Company. The buyer does not need to take any steps to see how any money he is paying is used. Nor will his ownership be affected if the sale was irregular or invalid in any way.

- 7.2 So far as the legislation allows, in effecting divisions and/or consolidations the directors can treat a shareholder's shares held in certificated form and uncertificated form as separate holdings. The directors can also cause any shares which result and which represent fractions to be entered in the Register as shares in certificated form where this is desirable in order to sell them.

## **8 THE POWER TO REDUCE CAPITAL**

The Company's shareholders can pass a Special Resolution to:

- 8.1 reduce its share capital in any way; or
- 8.2 reduce any capital redemption reserve, share premium account or other undistributable reserve in any way.

This is subject to any restrictions under the Companies Act.

## **9 PURCHASE OF OWN SHARES**

The Company can purchase, or agree to purchase in the future, any of its shares of any class (including redeemable shares), if the legislation allows this. However, if the Company has existing shares with special rights, then the Company can only purchase shares if it is allowed by the special rights of the shares to do so.

The Company can pay any price permitted by the legislation for any of its shares which it purchases (including purchasing at above or below the nominal value of the shares). It can also use any method for selecting which shares are to be purchased.

# **SHARES**

## **10 THE SPECIAL RIGHTS OF NEW SHARES**

- 10.1 If the Company issues new shares, the new shares can have any rights or restrictions attached to them. The rights can take priority over the rights of existing shares, or existing shares can take priority over them, or the new shares and the existing shares can rank equally. These rights and restrictions can apply to sharing in the Company's profits or assets. Other rights and restrictions can also apply, for example special voting rights or restrictions on the right to vote.
- 10.2 The rights and restrictions referred to in Article 10.1 can be decided by an Ordinary Resolution passed by the shareholders or by the directors provided any decision of the directors does not conflict with any resolution passed by the shareholders.
- 10.3 Subject to the provisions of the legislation and to any rights conferred on the holders of any other shares, shares may be issued on terms that they are, or at the option of the Company or a member are liable, to be redeemed on such terms and in such manner and on such conditions (if any) as may be determined by the directors before the shares are issued.



- 10.4 The ability to attach particular rights and restrictions to new shares may be restricted by special rights previously given to holders of any existing shares.

## **11 CHANGING THE SPECIAL RIGHTS OF SHARES**

- 11.1 If the Company's share capital is split into different classes of shares, the special rights which are attached to any of these classes can be varied or abrogated if this is approved by a Special Resolution, subject as set out in section 633 of the Companies Act. This must be passed at a separate meeting of the holders of the relevant class of shares. Alternatively, the holders of at least three-quarters of the existing shares of the class (by nominal value) can give their consent in writing. But this does not apply if the variation or abrogation is not permitted by the legislation or the terms of issue of the shares.
- 11.2 The special rights of a class of shares can be varied or abrogated while the Company is a going concern or while the Company is being wound up or winding up is being considered.
- 11.3 All the Articles relating to General Meetings apply, with any necessary changes, to a class meeting, except as set out in Article 11.4.
- 11.4 At least two people who hold (or who act as proxies for) at least one-third of the total nominal value of the existing shares of the class are a quorum at a class meeting. However, if this quorum is not present at an adjourned meeting, one or more persons who hold at least 5 per cent of the total nominal value of the existing shares of the class (or their proxies) are a quorum. One person can be treated as constituting a meeting for this purpose.
- 11.5 This Article also applies to the variation or abrogation of special rights of shares forming part of a class. Each part of the class which is being treated differently is viewed as a separate class in operating this Article.

## **12 SPECIAL RIGHTS OF EXISTING SHARES**

The special rights of existing shares are not regarded as varied if new shares are created or issued or if the Company purchases its own shares. But this does not apply if the terms or rights of the existing shares expressly say otherwise or on the allotment of new shares with more favourable voting rights than the existing shares.

## **13 THE DIRECTORS' POWERS IN RESPECT OF NEW SHARES**

Subject to the provisions of the legislation and these Articles the directors can allot shares at any time and on any terms. The directors can also grant options to give people a right to acquire shares in the future or the directors can dispose of shares in any other way. The directors are free to decide who they deal with, when they deal with the shares and the terms on which they deal and can limit the number of joint shareholders to be registered to four people. But they must comply with the other provisions of the Articles and the provisions of the legislation relating to authority, pre-emption rights and other matters.

## **14 THE DIRECTORS' AUTHORITY TO ALLOT SHARES AND EQUITY SECURITIES**

- 14.1 This Article regulates the authority of the directors to allot shares and to grant rights to subscribe for or to convert any security into shares in the Company (shares and such rights being referred to in this Article as "relevant securities") (see Articles 14.2, 14.3, 14.6.4 and 14.7) and their power to allot equity securities for cash (see Articles 14.4 to 14.7). The meaning of equity securities and the allotment of equity securities is given in Section 560 of the Companies Act.
- 14.2 The directors are authorised, generally and without conditions, to allot relevant securities. They are authorised to allot them for each period (not exceeding five years) decided on by the shareholders by Ordinary Resolution. But this authority is restricted by the limit on the maximum amount of relevant securities set out in the resolution which grants, renews or extends the period for which the authority is to last or in any other resolution passed by the shareholders.
- 14.3 To grant, renew, or extend any authority, the Ordinary Resolution only has to state that the directors' authority to allot relevant securities is granted, renewed or executed for a period ending as set out in that resolution and the maximum amount of relevant securities which can be allotted for the period.
- 14.4 Where the directors have general authority under 14.2, under that authority they have the power to allot equity securities, entirely paid for in cash, free of the restriction in Section 561 of the Companies Act. This power will be for each period (not exceeding 5 years) decided on by the shareholders by Special Resolution.
- 14.5 There is no limit on the maximum amount of equity securities which can be allotted under the power in Article 14.4 where the allotment is in connection with a rights issue (which is defined in Article 14.6). In all other cases, the maximum amount of equity securities which can be allotted under that power is the amount stated in the Special Resolution which decides on the period for which the power is to last.
- 14.6 In Article 14.5 rights issue means an offer of equity securities which is open to the following people for a period decided on by the directors:
- 14.6.1 people who are registered holders of Ordinary Shares on a particular date, in proportion to their holdings of Ordinary Shares;
  - 14.6.2 people who are registered on a particular date as holders of other classes of equity securities which give them the right to receive the offer or which permit them to receive the offer and the directors decide that it is appropriate for them to do so.

However, the directors may do the following things, and the issue will still be treated as a rights issue for the purpose of this Article if they do so:

- 14.6.3 sell any fractions of equity securities to which people would be entitled and keep the net proceeds for the Company's benefit;
- 14.6.4 make the rights issue subject to any limits or restrictions which the directors think are necessary or appropriate to deal with legal or practical problems

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

- 14.6.5 treat a shareholder's holdings in certificated form and in uncertificated form separately.
- 14.7 To grant or renew the power, the Special Resolution only has to state that the directors' authority to allot equity securities is renewed for a period ending as set out in the resolution and the maximum amount of equity securities which can be allotted under the power for that period other than in connection with a rights issue.
- 14.8 During the period specified in any resolution under this Article, the directors can make offers, and enter into agreements, which would, or might, need shares to be allotted after those periods.
- 14.9 In working out maximum amounts of securities referred to in this Article, the nominal value of rights to subscribe for shares, or to convert any securities into shares, will be taken as the nominal value of the shares which would be allotted if the subscription or conversion takes place.

## **15 POWER TO PAY COMMISSION AND BROKERAGE**

The Company can use all the powers given by the legislation to pay commission or brokerage to any person who applies, or agrees to apply, for any new shares or procures anybody else to apply, or agree to apply for, any new shares.

## **16 RENUNCIATIONS OF ALLOTTED BUT UNISSUED SHARES**

The directors can allot shares on terms which include the right to transfer or renounce the allotment to another person before any person has been entered on the Register. The directors can impose terms and conditions regarding rights to transfer or renounce in these circumstances.

## **17 NO TRUSTS OR SIMILAR INTERESTS RECOGNISED**

- 17.1 The Company will only be affected by, or recognise, a current and absolute right to whole shares. The fact that any share, or any part of a share, may not be owned outright by the registered owner is not of any concern to the Company, for example if a share is held on any kind of trust.
- 17.2 The only exception to what is said in Article 17.1 is for any right which is expressly given by these Articles or which the Company has a legal duty to recognise.

## **SHARE CERTIFICATES**

### **18 CERTIFICATES**

- 18.1 When a shareholder is first registered as the holder of any class of shares in certificated form, he is entitled, without payment, to one certificate for all the shares in certificated form of that class which he holds and if he holds shares in certificated form of more than one class he is entitled to a separate share certificate for each class of shares.

- 18.2 If a shareholder gets more shares of any class he is entitled, to the extent that these extra shares are to be held in certificated form and, provided that he pays such reasonable charge as the directors may decide, to another certificate for the extra shares.
- 18.3 If a shareholder transfers part of his shares covered by a certificate, he is entitled, without payment, to a new certificate for the balance to the extent that the balance is to be held in certificated form.
- 18.4 The Company does not have to issue more than one certificate for any share held in certificated form, even if that share is held jointly.
- 18.5 When, in the case of a share held in certificated form jointly by several persons, the Company delivers a certificate to one joint shareholder, this is treated as delivery to all of the joint shareholders.
- 18.6 The Company can deliver a certificate to a broker or agent who is acting for a person who is buying the shares in certificated form or who is having the shares in certificated form transferred to him.
- 18.7 The directors can decide how share certificates are to be executed. For example, they can be:
- 18.7.1 signed by, or printed with a copy of the signature(s) of, one or more directors;
  - 18.7.2 sealed with the Seal; or
  - 18.7.3 printed with a copy of the Seal.
- 18.8 A share certificate must state the number, class and any distinguishing numbers of the shares to which it relates and the amount paid up on those shares. It cannot be for shares of more than one class.
- 18.9 The time limit for the Company to provide a share certificate under this Article in respect of shares in certificated form is:
- 18.9.1 one month after the allotment of a new share (or any longer period provided by its terms of issue);
  - 18.9.2 five business days after a transfer of fully paid shares is presented for registration; or
  - 18.9.3 two months after a transfer of partly paid shares is presented for registration.
- 18.10 The Company does not have to issue a certificate to a Recognised Clearing House or to its nominee or to a Recognised Investment Exchange or its nominee.
- 19 REPLACEMENT SHARE CERTIFICATES**
- 19.1 If a shareholder has two or more share certificates for shares of the same class, he can ask the Company for these to be cancelled and replaced by a single new certificate.

The Company must comply with such a request, but may request that the shareholder pays such reasonable charge as the directors may decide.

- 19.2 A shareholder can ask the Company to cancel and replace a single share certificate with two or more certificates for the same total number of shares. The Company may comply with such a request and may request that the shareholder pays such reasonable charge as the directors may decide.
- 19.3 A shareholder can ask the Company for a new certificate if the original is worn out or defaced or said to be lost, stolen, or destroyed.
- 19.4 If a certificate has been worn out or defaced, the Company can require the certificate to be delivered to it before issuing a replacement. If a certificate is said to be lost, stolen or destroyed, the Company can require satisfactory evidence that it has been lost, stolen or destroyed, and an indemnity in such terms as it decides, before issuing a replacement.
- 19.5 The Company can require the shareholder to pay any exceptional out-of-pocket expenses which the Company reasonably incurs in investigating the evidence or preparing a form of indemnity when issuing any replacement share certificates under Article 19.4. Otherwise, the replacement will be issued free of charge.
- 19.6 In the case of joint shareholders, only the shareholder whose name is listed first on the Register for the shares concerned can request replacement certificates under this Article.

## **CALLS ON SHARES**

### **20 THE DIRECTORS CAN MAKE CALLS ON SHARES**

The directors can call on shareholders to pay any money which has not yet been paid to the Company for their shares. This includes both the nominal value of the shares and any premium which may apply. They can also make calls on people who are entitled to shares by operation of law. A shareholder who is called on to pay money on his shares is required to pay even if he later transfers those shares to someone else. If the terms of issue of the shares allow this, the directors can:

- 20.1 makes calls as often, and whenever, they think fit;
- 20.2 decide when and where the money is to be paid;
- 20.3 decide that the money may be paid by instalments;
- 20.4 wholly or partially revoke or postpone any call;
- 20.5 fix a rate of interest applicable to late payments.

A call is treated as having been made as soon as the directors pass a resolution authorising it.

## **21 THE LIABILITY FOR CALLS**

A member who has received at least 14 clear days' notice stating the amount called and when and where payment must be made must pay the call as required by the notice. Joint shareholders are liable jointly and severally (which, in general terms, means together and separately) to pay any money called for.

## **22 INTEREST ON UNPAID CALLS**

If the person due to pay any money called for in this way does not pay it by the day that it is due, he is liable to pay interest on the money. This interest will run from the day the money is due until it has actually been paid. The yearly interest rate is that fixed by the terms of issue of the share, failing which it is that stated in the notice of call, or the "appropriate rate" as defined in the Companies Act. But the directors can decide not to require any or all of this interest to be paid.

## **23 SUMS WHICH ARE PAYABLE WHEN A SHARE IS ALLOTTED ARE TREATED AS A CALL**

If the terms of a share require any money to be paid at the time the share is allotted, or at any fixed date, then this money will be treated in the same way as a valid call for money on shares which is due on the same date. If this money is not paid, everything in the Articles relating to non-payment of calls applies. This includes Articles which allow the Company to forfeit or sell shares and to claim interest.

## **24 CALLS CAN BE FOR DIFFERENT AMOUNTS**

On or before an issue of shares, the directors can decide that shareholders may be called on to pay different amounts or that they may be called on at different times.

## **25 PAYING CALLS EARLY**

The directors can accept payment in advance of some or all of the money from a shareholder before he is called on to pay the money. The directors can agree to pay interest on money paid in advance until it would otherwise be due to the Company. The rate of interest can be agreed upon by the directors and the shareholder except that it must not be higher than the "appropriate rate" as defined in the Companies Act (except as stated in a resolution of the Ordinary Shareholders passed at a General Meeting).

## **FORFEITING SHARES AND LIENS OVER SHARES**

## **26 NOTICE FOLLOWING NON-PAYMENT OF A CALL**

Articles 26 to 36 apply if a shareholder fails to pay the whole amount of a call, or an instalment of a call, by the day that it is due. They also apply in the same way to a person who is entitled to a share by law. The directors can serve a notice on him any time after the date it is due, if the whole amount immediately due has not been paid.

## **27 CONTENTS OF THE NOTICE**

This notice must:

- 27.1 demand payment of the amount immediately payable and may also require payment of any interest and any of the Company's expenses caused by the failure to pay;
- 27.2 give a date by when the total referred to immediately above must be paid, but this must be at least 14 clear days after the notice is served on the shareholder;
- 27.3 state where the payment must be made; and
- 27.4 state that if the full amount demanded is not paid by the time stated, and where stated, the Company can forfeit the shares on which the call or instalment was due.

## **28 FORFEITURE IF THE NOTICE IS NOT COMPLIED WITH**

If the notice is not complied with, the shares that it relates to can be forfeited at any time while any amount (including interest and expenses) is still outstanding. This is done by the directors passing a resolution stating that the shares have been forfeited. The directors can accept the surrender of any share that would otherwise be forfeited. If a share is surrendered it will be treated as if it had been forfeited.

## **29 FORFEITURE WILL INCLUDE UNPAID DIVIDENDS**

All dividends or other amounts which are due on the forfeited shares, but have not yet been paid, will also be forfeited.

## **30 DEALING WITH FORFEITED SHARES**

- 30.1 The Company must notify a person whose shares have been forfeited. An entry of the notice and the date of forfeiture must be made in the Register. If the Company does not comply with the requirements of this Article 30.1, the forfeiture is still valid.
- 30.2 A share forfeited or surrendered under Article 28 belongs to the Company. The directors can sell or dispose of any forfeited share on any terms and in any way that they decide. This can be with, or without, a credit for any amount previously paid up for the share. It can be sold or disposed of to any person, including the previous shareholder or the person who was previously entitled by operation of law to the share. The directors can, if necessary, authorise any person to transfer a forfeited share to the new holder.

## **31 CANCELLING FORFEITURE**

After a share has been forfeited, the directors can cancel the forfeiture. But they can only do this before the share has been sold or disposed of. This can be on any terms that they decide.

## **32 THE POSITION OF SHAREHOLDERS AFTER FORFEITURE**

A shareholder loses all rights in connection with forfeited shares and, if the shares are in certificated form, must surrender any certificate for those shares to the Company for cancellation. A person is still liable to pay calls which had been made, but not paid, before the forfeiture of his shares. He must also pay interest on the unpaid amount, until it is paid. The interest rate will be the rate payable before the shares were forfeited (or, if no interest was payable, at the "appropriate rate" as defined in

the Companies Act). He continues to be liable for all claims and demands which the Company could have made relating to the forfeited share. He is not entitled to any credit for the value of the share when it was forfeited or for money received by the Company under Article 30 unless the directors decide to allow credit for all or any of that value. None of the rights relating to the forfeited share continue to exist after forfeiture unless the Articles or the legislation require it.

### **33 THE COMPANY'S LIEN ON SHARES**

The Company has a lien on all partly paid shares. This lien has priority over any third party's interest in the shares. This lien is for any money owed to the Company for the shares. This includes money called or payable at a fixed time on the share, even if it is not yet payable. The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part. They can also decide to suspend or cancel any lien which would otherwise apply to particular shares. The lien extends also to dividends and other amounts payable in respect of the share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share.

### **34 ENFORCING THE LIEN BY SELLING THE SHARES**

If the directors want to enforce the lien referred to in Article 33, they can sell some or all of the shares in any way they decide. The directors can authorise someone to transfer the shares sold to the new holder. But they cannot sell the shares until all of these conditions are met:

- 34.1 the money owed by the shareholder must be immediately payable;
- 34.2 the directors must have given a written notice to the shareholder. This notice must say how much is due. It must also demand that this money is paid, and say that the shareholder's shares can be sold if the money is not paid;
- 34.3 the notice just referred to must have been served on the shareholder, or on any person who is entitled to the shares by reason of the shareholder's death, bankruptcy or otherwise; and
- 34.4 the money has not been paid by at least 14 clear days after the notice has been served.

### **35 USING THE PROCEEDS OF THE SALE**

If the directors sell any shares under Article 34, the net proceeds will first be used to pay off the amount which is then payable to the Company. The directors will pay any money left over to the former shareholder or to any person who would otherwise have been entitled to the shares by operation of law. But the Company's lien will also apply to any money left over, to cover any money still due to the Company which is not yet payable. The Company has the same rights over this money as it had over the shares immediately before they were sold. The Company need not pay over anything left under this Article, in the case of shares in certificated form, until the certificate representing the shares sold has been delivered to the Company for cancellation.



## **36 EVIDENCE OF FORFEITURE OR SALE AND POSITION OF NEW HOLDER**

**36.1** A director, or the Secretary, can make a statutory declaration which declares:

**36.1.1** that he is a director or the Secretary of the Company;

**36.1.2** that a share has been properly surrendered, forfeited or sold to satisfy a lien under the Articles; and

**36.1.3** when the share was surrendered, forfeited or sold.

This will be evidence of these facts which cannot be disputed. If this declaration is delivered to the new holder of a share, with any completed transfer form which is required, this gives the new holder good title to the share.

**36.2** The new holder of a share which has been forfeited, surrendered or sold under Article 34 does not need to take any steps to see how any money he may be paying for the share is used. The new shareholder's ownership of the share will not be affected if the steps taken to surrender or forfeit the share, or the sale or disposal of the share, were invalid or irregular, or if anything that should have been done was not done.

## **TRANSFERRING SHARES**

### **37 GENERAL PROVISIONS ABOUT TRANSFERS OF SHARES**

**37.1** Unless the Articles say otherwise, any shareholder can transfer some or all of his shares to another person. Every transfer of shares which are in certificated form must be in writing, and either in the usual standard form, or in any other form approved by the directors. Every transfer of shares which are in uncertificated form must be carried out by means of a relevant system.

**37.2** No fee is payable to the Company for transferring shares or registering changes relating to the ownership of shares.

### **38 TRANSFERS OF SHARES IN CERTIFICATED FORM**

**38.1** The transfer form must be delivered to the office where the Register is kept or another place determined by the directors. The transfer form must have with it:

**38.1.1** the share certificate for the shares to be transferred; and

**38.1.2** any other evidence which the directors ask for to prove that the person wishing to make the transfer is entitled to do this.

**38.2** If a transfer is by a Recognised Clearing House or its nominee or by a Recognised Investment Exchange or its nominee, a share certificate is only needed if a certificate has been issued for the shares in question.

**38.3** A share transfer form must be signed or executed in some other way by the person making the transfer.

- 38.4 A share transfer form must also be signed or executed in some other way by the person the share is being transferred to, if the share is not a fully paid-up share.
- 38.5 The person making a transfer will be treated as continuing to be the shareholder until the name of the person to whom a share is being transferred is put on the Register for that share.
- 38.6 If the Company registers a transfer, it may keep the transfer form.
- 38.7 A transfer form must be properly stamped where this is required.

#### **39 TRANSFERS WHICH MAY NOT BE REGISTERED**

- 39.1 The directors can, subject to CREST Regulations, refuse to register a transfer of any shares in certificated form which are not fully paid-up. They do not have to give any reasons for refusing. But, if any of the class of shares which are not fully paid-up have been admitted to the Official List of the London Stock Exchange or to trading on AIM, the directors cannot refuse to register a transfer if this would stop dealings in those shares from taking place on an open and proper basis.
- 39.2 The directors can refuse to register a transfer of shares in certificated form if a single transfer form is used to transfer more than one class of shares. Each class needs a separate form.
- 39.3 The directors can, subject to the CREST Regulations, refuse to register an allotment or transfer of shares which is in favour of more than four joint holders.
- 39.4 Subject to the requirements of the CREST Regulations in relation to shares in uncertificated form, transfers of shares may not be made (unless the directors otherwise decide) to or by a person under 18 years of age or to or by a patient within the meaning of the Mental Health Act 1983.
- 39.5 If the directors decide not to register an allotment or transfer of a share, they must give notice of refusal to register the transfer, together with their reasons for the refusal, to the person to whom the shares were to be allotted or transferred and, in the case of shares in certificated form, the Company must (in the absence of suspected fraud or crime involving dishonesty relating to the transfer) return the letter of allotment or transfer form to the person who delivered it to the Company. This must be done no later than two months after the Company receives the letter of allotment or transfer (in the case of shares held in certificated form) or the instruction from the Operator of the relevant system was received by the Company (in the case of shares held in uncertificated form).

40 [This article is left blank intentionally]

#### **41 OVERSEAS BRANCH REGISTERS ETC.**

The Company can use all the powers that the legislation gives to keep an overseas branch register, local register or other register, or to keep duplicate registers, in any place. The directors can make and change any regulations they decide on relating to these registers, so far as the legislation allows this.

## **PERSONS ENTITLED TO SHARES BY OPERATION OF LAW**

### **42 DEATH OF A SHAREHOLDER**

- 42.1 When a sole shareholder (or a shareholder who is the last survivor of joint shareholders) dies, his legal personal representatives will be the only people whom the Company will recognise as being entitled to his shares.
- 42.2 If a shareholder who is a joint shareholder dies, the remaining joint shareholder or shareholders will be the only people whom the Company will recognise as being entitled to his shares.
- 42.3 But this Article does not discharge the estate of any shareholder from any liability.

### **43 REGISTERING PERSONS ENTITLED BY OPERATION OF LAW**

A person who becomes entitled to a share by operation of law can either be registered as the shareholder or can select some other person to have the share transferred to. The person who is entitled by operation of law must provide any evidence of his entitlement which is reasonably required by the directors.

### **44 A PERSON WHO WANTS TO BE REGISTERED MUST GIVE NOTICE**

If a person who is entitled to shares by operation of law wants to be registered as a shareholder, he must deliver or send a notice to the Company saying so. He must sign this notice, and it must be in the form which the directors require. All of the provisions of these Articles about registering transfers of shares apply to it. The directors have the same power to refuse to register the entitled person as they would have had in deciding whether to register a transfer by the person who was previously entitled to the shares.

### **45 HAVING ANOTHER PERSON REGISTERED**

If person who is entitled to a share by operation of law wants the share to be transferred to another person, he must do this:

- 45.1 if the share is in certificated form, by signing a transfer form to the person he has selected; or
- 45.2 if the share is in uncertificated form, by a transfer by means of a relevant system.

The directors have the same power to refuse to register the person selected as they would have had in deciding whether to register a transfer by the person who was previously entitled to the shares.

### **46 THE RIGHTS OF PEOPLE ENTITLED TO SHARES BY OPERATION OF LAW**

- 46.1 A person who is entitled to a share by operation of law and who gives appropriate evidence of this to the Company is entitled to any dividends or other money relating to the share, even though he is not registered as the holder of that share. But the directors can withhold the dividend and other money until a person has been properly

registered as the shareholder as laid down in the Articles. They can do this if the person is notified that he is required to be registered and does not comply within 60 days. They can also withhold the dividend if the person who was previously entitled to the share could have had his dividend withheld.

- 46.2 Unless he is registered as the holder of the share the person entitled to a share by operation of law is not entitled to receive notices of shareholders' meetings, or to attend or vote at these meetings or to any of the other rights and benefits of being a shareholder unless the directors decide to allow this.

## **SHAREHOLDERS WHO CANNOT BE TRACED**

### **47 SHAREHOLDERS WHO CANNOT BE TRACED**

- 47.1 Subject to legislation, the Company can sell any shares if:

47.1.1 during the previous 12 years at least three dividends have been paid and none have been claimed; and

47.1.2 during this 12 year period, the Company has not heard from the shareholder or any person who is entitled to the shares by operation of law or received any indication of the whereabouts or existence of such shareholder or other person.

- 47.2 To sell any shares in this way, the Company can authorise any person to transfer the shares. This transfer will be just as effective as if it had been made by the registered holder of the shares or by a person who is entitled to the shares by operation of law. The ownership of the person to whom the shares are transferred will not be affected even if the sale is irregular or invalid in any way.

- 47.3 The net sale proceeds belong to the Company until claimed under this Article, but it must pay these to the shareholder who could not be traced, or to the person who is entitled to his shares by operation of law, if that shareholder, or that other person, asks for it.

- 47.4 The Company must record the name of that shareholder or if appropriate the person who was entitled to the shares by operation of law as a creditor for this money in its accounts. The money is not held on trust, and no interest is payable on the money. The Company can keep any money which it has earned by using the net sale proceeds. The Company can use the money for its business, or it can invest the money in any way that the directors decide. But the money cannot be invested in the Company's shares or in the shares of any holding company of the Company.

## **GENERAL MEETINGS**

## **48 THE ANNUAL GENERAL MEETING**

The Company must hold an Annual General Meeting once every year, in addition to any other General Meetings which are held in the year. There must not be an interval of more than 15 months between one Annual General Meeting and the next. The directors will decide when and where to hold the Annual General Meeting.

## **49 EXTRAORDINARY GENERAL MEETINGS**

If a General Meeting is not an Annual General Meeting, it is simply called a General Meeting.

## **50 CALLING A GENERAL MEETING**

The directors can decide to call a General Meeting at any time. General Meetings must also be called promptly in response to a requisition by shareholders under the legislation. If the directors do not comply with this, the people making the requisition can call the meeting themselves in accordance with the legislation.

## **51 NOTICE OF MEETINGS**

51.1 At least 21 clear days' notice in writing must be given for every Annual General Meeting or to pass some other resolution of which "special notice" under the Companies Act has been given to the Company. For every other General Meeting at least 14 clear days' notice in writing must be given. However, a shorter period of notice can be given:

51.1.1 for an Annual General Meeting, if all the members who can attend and vote agree; or

51.1.2 for a General Meeting, if a majority of the members agree and those members hold at least 95 per cent by nominal value of the shares which can be voted at the meeting.

51.2 Any notice of meeting must:

51.2.1 state, if applicable, that it is an Annual General Meeting;

51.2.2 state where the meeting is to be held;

51.2.3 give the date and time of the meeting;

51.2.4 give the general nature of the business of the meeting;

51.2.5 state if any resolution will be proposed as a Special Resolution and state the text of the Special Resolution; and

51.2.6 state with reasonable prominence that a shareholder who can attend and vote can appoint one or more proxies (who need not be shareholders) to vote for him on a poll.

- 51.3 Subject to Article 51.4, notices of meetings must be given to the shareholders, unless the Articles or the rights of the shares say they are not entitled to receive them from the Company. Notice must also be given to each of the directors and to the Company's auditors.
- 51.4 The Company can decide that only those persons entered on the Register at the close of business on a day fixed by the Company are entitled to receive notice of a meeting. This day must not be more than 21 days before the day that the notice is sent.
- 51.5 If the Company cannot effectively call a General Meeting by sending notices through the post, because the postal service is suspended or restricted in the United Kingdom, the directors can give notice of the meeting to shareholders with addresses in the United Kingdom by publishing a notice in the United Kingdom. If it becomes possible to use the postal service again more than seven days before the meeting, the Company must send confirmation of the notice through the post. Article 146.2 describes how the advertising must be carried out. Notice published in this way will be treated as being properly served on shareholders who are entitled to receive it at noon on the day when the advertisement appears.
- 51.6 The proceedings at a General Meeting will still be valid if a person who is entitled does not receive or is not given notice of the meeting or is not sent a form of proxy, but this only applies if the omission was accidental.

## **52 A GENERAL MEETING CAN BE MOVED AT SHORT NOTICE**

If the directors consider that it is impractical, or unreasonable, to hold a General Meeting at the place stated in the notice calling the meeting, they can move or postpone the meeting, or do both of these things. If the directors do this, an announcement of the date, time and place of the rearranged meeting will, if practical, be published in at least two United Kingdom national newspapers.

Notice of the business of the meeting does not need to be given again. The directors must take reasonable steps to ensure that any shareholder trying to attend the meeting at the original time and place is informed of the new arrangements. If a meeting is rearranged in this way, proxy forms can be delivered, in the way required by Article 77, until 48 hours before the rearranged meeting. The directors can also move or postpone the rearranged meeting, or both, under this Article.

## **PROCEEDINGS AT GENERAL MEETINGS**

### **53 THE CHAIRMAN OF A MEETING**

- 53.1 The Chairman of the Company will be the chairman at every General Meeting, if he is willing and able to take the chair.
- 53.2 If the Company does not have a Chairman, or if the Chairman is not willing and able to chair the meeting, a Deputy-Chairman will chair the meeting if he is willing to take the chair.

53.3 If the Company does not have a Chairman or a Deputy-Chairman, or if neither the Chairman nor the Deputy-Chairman are willing and able to chair the meeting, after waiting 5 minutes from the time that the meeting is due to start, the directors who are present will choose one of themselves to act as chairman. If there is only one director present, he will be chairman, if he agrees.

53.4 If there is no director willing and able to be chairman or if no director is present after waiting 5 minutes from the time that a meeting is due to start, then the shareholders who are present at the meeting and entitled to vote will decide which one of them is to be chairman.

53.5 To avoid any doubt, nothing in the Articles restricts or excludes any of the powers or rights of a chairman of a meeting which are given by the general law.

54 All the things which take place at a General Meeting are regarded as "special". The same is true for the things done at an Annual General Meeting except for:

54.1 the declaration of dividends;

54.2 the consideration and adoption of the accounts and balance sheet and the reports of the directors and auditors and other documents which are required to be annexed to the accounts;

54.3 the appointment and re-appointment of directors;

54.4 the appointment of the auditors (unless the Companies Act requires special notice of this resolution);

54.5 fixing or determining the method of fixing the remuneration of the auditors.

## **55 SECURITY AND OTHER ARRANGEMENTS AT GENERAL MEETINGS**

Either the chairman of a meeting, or the Company Secretary, can take any action he considers appropriate for the safety of people attending a General Meeting, the proper and orderly conduct at a General Meeting or the meeting to reflect the wishes of the majority.

## **56 OVERFLOW MEETING ROOMS**

The directors can arrange for any people who they consider cannot be seated in the main meeting room, where the chairman will be, to attend and take part in a General Meeting in an overflow room or rooms. Any overflow room will have an audio-visual link with the main room. The notice of the meeting does not have to give details of any arrangements under this Article. The directors can decide on how to divide people between the main room and any overflow room. If any overflow room is used, the meeting will be treated as being held, and taking place, in the main room.

## **57 THE QUORUM NEEDED FOR MEETINGS**

57.1 Before a General Meetings starts to do business, there must be a quorum present. If there is not, the meeting cannot carry out any business. The meeting can still choose a chairman, which does not count as carrying out business for these purposes.

57.2 Subject to article 57.3, a quorum for all purposes is two qualifying persons. A qualifying person for these purposes means: .

57.2.1 an individual who is a member of the company;

57.2.2 a person authorised under article 68 to act as the representative of a shareholder which is a company in relation to the meeting; or

57.2.3 a person appointed as proxy of a member in relation to the meeting.

57.3 Two qualifying persons will not constitute a quorum where:

57.3.1 each is a qualifying person only because he is authorised under article 68 to act as a representative of a company in relation to the meeting, and they are both representatives of the same corporation; or

57.3.2 each is a qualifying person only because he is appointed as proxy of a member in relation to the meeting, and they are both proxies of the same member

## **58 THE PROCEDURE IF THERE IS NO QUORUM**

This Article applies if a quorum is not present within 15 minutes of the time fixed for a General Meeting to start or if there is no longer a quorum present at any time during a General Meeting. If the meeting was called by shareholders it is dissolved. Any other meeting is adjourned to any day, time and place stated in the notice of meeting. If the notice does not provide for this, the meeting is adjourned to a day, time and place decided on by the chairman. At the reconvened meeting, a quorum is one shareholder personally present or a proxy for one shareholder.

## **59 DIRECTORS AT GENERAL MEETINGS**

All of the directors can attend and speak at shareholders' meetings. The directors can do this whether or not they are also shareholders.

## **60 ADJOURNING MEETINGS**

60.1 The chairman of a meeting can adjourn a meeting which has a quorum present for any reason, whether or not this is agreed by the meeting. For example, the chairman may adjourn the meeting if he considers that there is not enough room for the number of shareholders who wish to attend the meeting, the behaviour of the people present prevents, or is likely to prevent, the business of the meeting being carried out in an orderly way or an adjournment is necessary for any other reason, so that the business of the meeting can be properly carried out. The adjournment can be to a time, date and place proposed by the chairman. It can also be an indefinite adjournment.

60.2 The chairman must adjourn a meeting if the meeting directs him to do this. In these circumstances the meeting will decide how long the adjournment will be, and where it will adjourn to.

60.3 If a meeting is adjourned indefinitely, the directors will fix the time, date and place of the adjourned meeting.



- 60.4 Meetings can be adjourned more than once. But if a meeting is adjourned for three months or more or indefinitely, at least 7 clear days' notice must be given for the adjourned meeting in the same way as was required for the original meeting. If a meeting is adjourned for less than three months, there is no need to give notice about the adjourned meeting, or about the business to be considered there.
- 60.5 A reconvened meeting can only deal with business that could have been dealt with at the meeting which was adjourned.
- 60.6 Meetings can only be adjourned as set out in this Article 60.

## **61 CONFIDENTIAL INFORMATION**

No shareholder at a shareholders' meeting is entitled to require disclosure of or any information about any detail of the Company's trading or any matter that is or may be in the nature of a trade secret, commercial secret or secret process or that may relate to the conduct of the business of the Company, if the directors decide it would be inexpedient in the interests of the Company to make that information public.

## **62 AMENDING RESOLUTIONS**

- 62.1 Amendments can be proposed to any resolution if they are only clerical amendments or amendments to correct some other obvious error in the resolution.
- 62.2 No other amendments can be proposed to any Special Resolution.
- 62.3 Amendments to an Ordinary Resolution which are within the scope of the resolution can be proposed if notice of the proposed amendment is delivered to the Registered Office at least 48 hours before the time of the meeting, or adjourned meeting, or the chairman of the meeting decides that the amendment is appropriate for consideration by the meeting.
- 62.4 If the chairman, acting in good faith, rules an amendment out of order, any error in that ruling will not affect the validity of a vote on the resolution.

## **VOTING PROCEDURES**

### **63 HOW VOTES ARE TAKEN**

If a resolution is put to the vote at a General Meeting, it will be decided by a show of hands, unless a poll is demanded when, or before, the result of the show of hands is declared by the chairman. A poll can be demanded by:

- 63.1 the chairman of the meeting;
- 63.2 a least five shareholders at the meeting who are entitled to vote (including proxies for shareholders entitled to vote);
- 63.3 one or more shareholders at the meeting who are entitled to vote and who have, between them, at least 10% of the total votes of all shareholders who have the right to vote at the meeting (including proxies for shareholders entitled to vote); or

- 63.4 one or more shareholders who have shares which allow them to vote at the meeting, where the total amount which has been paid up on these shares is at least 10% of the total sum paid up on all shares which give the right to vote at the meeting.

A demand for a poll made by a proxy for a shareholder will be treated in the same way as a demand made by the shareholder himself. A demand for a poll can be withdrawn. If a poll is called, a shareholder can vote either personally or by appointing a proxy. If a shareholder votes in a poll, he does not have to use all of his votes, nor does he have to cast all his votes in the same way. A proxy does not need to be a shareholder.

#### **64 THE EFFECT OF A DECLARATION BY THE CHAIRMAN**

The following applies when there is a vote by a show of hands and no poll is demanded, or any demand for a poll is withdrawn. Any of the following declarations by the Chairman of the meeting which are minuted in the minute book will be conclusive proof that:

- 64.1 a resolution has been carried;
- 64.2 a resolution has been carried unanimously;
- 64.3 a resolution has been carried by a particular majority;
- 64.4 a resolution has been lost; or
- 64.5 a resolution has been lost by a particular majority.

There is no need to prove the number, or proportion, of votes recorded for or against a resolution. If a poll is demanded and the demand is then withdrawn, any declaration by the Chairman of the result of a vote on that resolution by a show of hands, which was made before the poll was demanded, will stand.

#### **65 HOW A POLL IS TAKEN**

If a poll is demanded in the way allowed by the Articles, the Chairman of the meeting will decide where, when and how it will be carried out. The result will be treated as the decision of the meeting where the poll was demanded, even if the poll is carried out after the meeting. No notice that the poll will be carried out has to be given if it is carried out within 30 days of being demanded.

#### **66 WHEN THERE CANNOT BE A POLL**

A poll is not allowed on a vote to elect a chairman of a meeting. Nor is a poll allowed on a vote to adjourn a meeting, unless the chairman of the meeting demands a poll.

#### **67 A MEETING CONTINUES AFTER A POLL IS DEMANDED**

A demand for a poll on a particular matter will not stop a meeting from continuing to deal with other matters.

## **68 SHAREHOLDERS WHICH ARE COMPANIES**

- 68.1 A shareholder which is a company can appoint any person or persons it chooses to act as its representative or representatives at a shareholders' meeting.
- 68.2 Where the shareholder company appoints only one person, he is entitled to exercise the same powers on behalf of the shareholder company as it could exercise if it were an individual shareholder.
- 68.3 Where the shareholder company appoints more than one person, any one of them is entitled to exercise the same powers on behalf of the shareholder company as it could exercise if it were an individual shareholder and all of them may speak at the meeting, save that if more than one of them purports to exercise a power (other than the power to speak at the meeting) on behalf of the shareholder company then subject to the provisions of the Companies Act (including, if applicable) section 152 of the Companies Act:
- 68.3.1 if they purport to exercise the power in the same way, the power is treated as exercised in that way;
- 68.3.2 if they do not purport to exercise the power in the same way, the power is treated as not exercised.
- 68.4 An Approved Depositary can appoint any one person or more than one person it chooses to act as its representative at a shareholders' meeting. Anyone appointed by an Approved Depositary can exercise any powers which the shareholders appointing him would have if it were an individual shareholder, but only in respect of the shares to which his appointment relates.
- 68.5 Subject to the terms of this Article 68, if a person appointed under Article 68.1 or 68.4 attends a General Meeting or other meeting for which he is appointed, he is treated for the purpose of these Articles as if he were a shareholder present in person and holding the shares to which the appointment relates.

## **VOTING RIGHTS**

### **69 THE VOTES OF SHAREHOLDERS**

- 69.1 Where a shareholder is entitled to attend a meeting and vote, he has only one vote on a show of hands. A proxy can vote on a show of hands. Where there is a poll, a shareholder who is present in person or by proxy has one vote for every share which he holds. This is subject to Article 69.2 below and to the other provisions of the Articles and to any special rights or restrictions which are given to any class of shares. A representative of a company has one vote for every share which he is treated as holding (see Article 68).
- 69.2 For the purposes of determining which people may attend or vote at a meeting and how many votes such people have, the notice of the meeting may give a time by which people must be entered on the Register in order to be entitled to attend or vote at the meeting. This time must be not more than 48 hours before the time fixed for the meeting.

## **70 SHAREHOLDERS WHO OWE MONEY TO THE COMPANY**

The only people who can attend or vote at shareholders' meetings are shareholders who have paid the Company all calls, and all other sums, relating to their shares which are due at the time of the meeting. This applies both to attending a meeting personally and to appointing a proxy.

## **71 DISCLOSURE OF INTEREST IN SHARES AND FAILURE TO DISCLOSE**

**71.1** This Article applies if any shareholder, or any person appearing to be interested in shares held by such holder, has been properly served with a notice under Section 793 of the Companies Act, requiring information about interests in shares, and has failed for a period of 14 days to supply to the Company the information required by that notice. Then (unless the directors otherwise decide) the shareholder is not (for so long as the failure continues) entitled to attend or vote either personally or by proxy at a shareholders' meeting or to exercise any other right in relation to shareholders' meetings as holder of:

**71.1.1** the shares in relation to which the default occurred (called default shares);

**71.1.2** any further shares which are issued in respect of default shares; and

**71.1.3** any other shares held by the shareholder holding the default shares.

**71.2** Any person who acquires shares subject to restrictions under Article 71.1 is subject to the same restrictions, unless:

**71.2.1** the transfer was an approved transfer (see Article 71.11);

**71.2.2** the transfer was by a shareholder who was not himself in default in supplying the information required by the notice under Article 71.1 and a certificate as referred to in Article 71.3 is provided.

**71.3** Where the default shares represent 0.25 per cent or more of the existing shares of a class, the directors can in their absolute discretion direct, by giving notice (a direction notice) to the shareholder, that:

**71.3.1** any dividend or part of a dividend or other money which would otherwise be payable on the default shares shall be retained by the Company (without any liability to pay interest when such money is finally paid to the shareholder); and/or

**71.3.2** the shareholder shall not be entitled to elect to receive shares in place of dividends withheld; and/or

**71.3.3** (subject to the requirements of the relevant system in relation to shares in uncertificated form) no transfer of any of the shares held by the shareholder shall be registered unless:

(a) either the transfer is an approved transfer (see Article 71.11);

(b) or the shareholder is not himself in default as regards supplying the information required; and (in this case)

(i) the transfer is of part only of his holding; and

(ii) when presented for registration, the transfer is accompanied by a certificate by the shareholder. Such certificate must be in a form satisfactory to the directors and state that after due and careful enquiry the shareholder is satisfied that none of the shares included in the transfer are default shares.

71.4 Any direction notice may treat certificated and uncertificated shares of a shareholder as separate holdings and either apply only to certificated shares or to uncertificated shares or make different provision for certificated and uncertificated shares. In the case of shares in uncertificated form the directors can only use their discretion to prevent a transfer if this is allowed by the CREST Regulations.

71.5 The Company must send a copy of the direction notice to each other person who appears to be interested in the shares covered by the notice, but if it fails to do so, this does not invalidate the direction notice.

71.6 A direction notice has the effect which it states while the default resulting in the notice continues. It then ceases to apply when the directors decide (which they must do within one week of the default being cured). The Company must give the shareholder immediate written notice of the directors' decision.

71.7 A direction notice also ceases to apply to any shares which are transferred by a shareholder in a transfer which would be permitted under Article 71.3 even where a direction notice restricts transfers.

71.8 Where a person who appears to be interested in shares has been served with a notice under Section 793 of the Companies Act and the shares in which he appears to be interested are held by an Approved Depositary, this Article shall be treated as applying only to the shares which are held by the Approved Depositary in which that person appears to be interested and not (so far as that person's apparent interest is concerned) to any other shares held by the Approved Depositary.

71.9 Where the shareholder on which a notice under Section 793 of the Companies Act is served is an Approved Depositary, the obligations of the Approved Depositary as a shareholder will be limited to disclosing to the Company any information relating to any person who appears to be interested in the shares held by it which has been recorded by it in accordance with the arrangement under which it was appointed as an Approved Depositary.

71.10 For the purposes of this Article a person is treated as appearing to be interested in any shares if the shareholder holding such shares has been served with a notice under Section 793 of the Companies Act and:

71.10.1 the shareholder has named such a person as being so interested; or

71.10.2 (after taking into account the response of the shareholder to such notice and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

71.11 For the purposes of this Article a transfer of shares is an approved transfer if:

71.11.1 it is a transfer of shares to an offeror under an acceptance of a takeover offer (as defined in Section 974 of the Companies Act); or

71.11.2 the directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the shareholder or with any person appearing to be interested in the shares. This includes such a sale made through the London Stock Exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded. For this purpose any associate (as that term is defined in Section 435 of the Insolvency Act 1986) is included amongst the persons who are connected with the shareholder or any person appearing to be interested in the shares.

71.12 This Article does not restrict in any way the provisions of the Companies Act which apply to failures to comply with notices under Section 794 of the Companies Act.

## **72 VOTES OF SHAREHOLDERS WHO ARE OF UNSOUND MIND**

This Article applies where a court or official with powers relating to mental disorder has appointed a person to manage a shareholder's affairs, including the exercise of voting rights on shares. The person appointed to act for the shareholder can vote for the shareholder and exercise other rights at shareholders' meetings. This includes appointing a proxy and voting on a show of hands or a poll. However, this only applies if any evidence which the directors may require of the person's authority to do these things is delivered to the office where the Register is kept or some other place specified in accordance with the Articles for delivery of proxies at least 24 hours before the time fixed for the relevant meeting (or adjourned meeting).

## **73 THE VOTES OF JOINT HOLDERS**

This Article applies to shares held by joint shareholders. If more than one of the joint shareholders votes, the only votes which will count are the votes of the person whose name is listed first on the Register for the share.

## **74 COMPLETING PROXY FORMS**

74.1 A proxy form can be in any form which is commonly used, or in any other form which the directors approve. It must provide for two-way voting on all resolutions to be proposed at a meeting other than those relating to procedure. A proxy form must be sent by the Company to all persons entitled to notice of a meeting and to attend and vote at it.

74.2 Subject as set out in Article 75, a proxy form must be in writing. A proxy form given by an individual must be signed by the shareholder appointing the proxy or by an attorney who has been properly appointed in writing. If a proxy is appointed by a company, the form should be sealed with the company's seal, executed as a deed or

signed by an officer or an attorney whose is properly authorised to act on behalf of the company. Signatures need not be witnessed.

- 74.3 A proxy need not be a shareholder. A shareholder can appoint more than one proxy for the same meeting. He can appoint a proxy and still attend and vote in person.

## **75 MEANS OF APPOINTING PROXIES: ELECTRONIC COMMUNICATIONS**

- 75.1 A proxy may be appointed by electronic communication to such address as may be notified by or on behalf of the Company for that purpose, or by any other lawful means from time to time authorised by the directors. Any means of appointing a proxy which is authorised by or under this paragraph shall be subject to any terms, limitations, conditions or restrictions that the directors may from time to time prescribe.

- 75.2 An appointment of a proxy by electronic communication where an address including an identification number of a participant in a relevant system has been specified for the purpose of receiving appointments by electronic communication:

- (i) in the notice convening the meeting; or
- (ii) in any instrument of proxy sent out by the Company in relation to the meeting; or
- (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting

must be received at such address not less than forty-eight hours (or such shorter time as the directors may determine) before the time appointed for the commencement of the meeting or adjourned meeting at which it is to be used (or, in the case of a poll taken more than 48 hours after the meeting or adjourned meeting, it must be so received not less than twenty four hours before the time appointed for the taking of the poll) and in default shall not be treated as valid. Calculation of any such forty-eight hour period shall take no account of any part of a day that is not a working day.

- 75.3 Without limiting the foregoing provisions of this Article 75, in relation to any shares which are uncertificated shares, the directors may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an Uncertificated Proxy Instruction, (that is, a Properly Authenticated Dematerialised Instruction, and/or other instruction or notification, which is sent by means of the relevant system concerned and received by such participant in that system acting on behalf of the Company as the directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the directors (subject always to the facilities and requirements of the relevant system concerned)); and may in a similar manner permit supplements to, or amendments or revocations of, any such Uncertificated Proxy Instruction to be made by like means. The directors may in addition prescribe the method of determining the time at which any such Properly Authenticated Dematerialised Instruction (and/or other instruction or notification) is to be treated as received by the Company or such participant. The directors may treat any such Uncertificated Proxy Instruction which purports to be or

is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

- 75.4 In Article 75.3 “Uncertificated Proxy Instruction” and “Properly Authenticated Dematerialised Instruction” have the same respective meanings as in the CREST Regulations.

## **76 DIRECTORS’ POWERS TO ESTABLISH VERIFICATION PROCEDURES IN CONNECTION WITH PROXIES**

- 76.1 From time to time the directors may (consistently with the legislation and these Articles) make such regulations and establish such procedures as they consider appropriate to receive and verify the appointment or revocation of a proxy. Any such regulations may be general, or specific to a particular meeting. Without limitation, any such regulations may include provisions that the directors (or some person or persons appointed by them) may conclusively determine any matter or dispute relating:

- (i) to the appointment or revocation, or purported appointment or revocation, of a proxy; and/or
- (ii) to any instruction contained or allegedly contained in any such appointment,

and any such regulations may also include rebuttable or conclusive presumptions of any fact concerning those matters. The directors may from time to time modify or revoke any such regulations as they think fit, provided that no subsisting valid appointment or revocation of a proxy or any vote instruction shall thereby be rendered invalid.

## **77 DELIVERING PROXY FORMS**

- 77.1 A proxy form must be delivered to the place or places within the United Kingdom stated in the notice of meeting, or in the proxy form, or, if no other place is stated, to the office where the Register is kept, or if the directors decide to accept proxy forms delivered electronically, in the way that they specify. It must be delivered:

77.1.1 at least 48 hours before the time fixed for the meeting, or adjourned meeting;  
or

77.1.2 at least 24 hours before the time appointed for a poll to be taken, if the poll is taken more than 48 hours after the meeting or adjourned meeting; or

77.1.3 in the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded:

- (a) at least 48 hours before the time fixed for the meeting or adjourned meeting; or
- (b) at the meeting at which the poll was demanded to the Chairman, secretary or any director.



77.2 If a proxy form is signed by an attorney, the power of attorney or other authority relied on to sign it, or a copy which has been certified by a notary or in accordance with the Powers of Attorney Act 1971, or an office copy, must be delivered with the proxy form, unless the power of attorney has already been registered with the Company.

77.3 If Article 77.2 is not complied with, the proxy will not be able to act for the person who appointed him.

77.4 A proxy form delivered by an Approved Depositary may be delivered to the appropriate place referred to in Article 77.1 by facsimile.

77.5 If a proxy form which relates to several meetings has been properly delivered for one meeting, or adjourned meeting, it does not need to be delivered again for any later meeting which the proxy form covers.

## **78 REVOCATIONS OF PROXIES**

Any vote by a proxy or by a company representative will be valid even though:

78.1 the person who appointed the proxy has died or is of unsound mind;

78.2 the proxy form has been revoked;

78.3 the appointment of the company representative has been revoked; or

78.4 the authority of the person who signed the proxy form for the shareholder has been revoked.

However, this does not apply if written notice of such a fact has been received at the office where the Register is kept or at any other place where the proxy could be delivered at least 24 hours before the meeting or adjourned meeting starts or the time fixed on a later day to take a poll.

## **79 PROXIES SPEAKING AT MEETINGS**

A proxy may speak at a meeting.

## **80 PROXIES FOR AMENDMENTS AND ADJOURNMENTS**

A proxy form entitles the proxy to vote on any amendment of a resolution put to the meeting to which it relates. The proxy can vote as he thinks fit. The proxy form is equally valid for the original meeting and any adjournment.

## **81 EXPIRY OF PROXIES**

81.1 A proxy form only remains valid for 12 months.

81.2 Where more than one valid proxy form is validly delivered for the same meeting in respect of the same shares, the one delivered last is taken to replace the others. If the proxy forms conflict and the Company cannot tell which was delivered last, none is valid.

## **82 CHALLENGING VOTES**

Any objection to the right of any person to vote must be made at the meeting (or adjourned meeting) or poll at which the vote is cast. If a vote is not disallowed at the meeting or poll, it is valid for all purposes. Any objection must be raised with the chairman of the meeting. His decision is final.

## **NOMINATION RIGHTS**

### **83 NOMINATION NOTICES**

83.1 Subject to the Companies Act, a member may send the Company notice in writing that another person or persons is entitled to enjoy or exercise all or any of that member's rights in relation to the Company (a "nomination notice").

83.2 A nomination notice:

83.2.1 must identify the person nominated and state that person's contact details;

83.2.2 may specify which rights, in relation to which shares, the person nominated is entitled to enjoy or exercise;

83.2.3 must indicate, in relation to the specified rights, whether they are to be exercised only by the person nominated, or whether the member giving the notice may also continue to exercise them;

83.2.4 must specify the date from which it is to take effect;

83.2.5 may specify when it is to cease to have effect; and

83.2.6 must be executed by the member giving the notice and the person nominated.

### **84 EFFECT OF NOMINATION NOTICES**

84.1 Subject to the Companies Act, if the Company receives a nomination notice, the Company must give effect to that notice in accordance with its terms.

84.2 Subject to the Companies Act, if a nomination notice does not specify the rights which the person nominated in it is entitled to enjoy or exercise, it shall be treated as having specified all the rights of the member giving it in relation to the company.

84.3 The Company shall not give retrospective effect to a notice which is expressed to take effect from a date before the date on which it is received.

84.4 If:

84.4.1 a nomination notice states that the member giving the notice may continue to exercise or enjoy the rights specified in it; and

84.4.2 that member and the person nominated in the notice both seek to exercise such a right in relation to a particular matter,

then, unless the effect of what each of them does in relation to that right would be the same, it shall be treated as not having been exercised by either of them.

- 84.5 A nomination notice ceases to have effect when the member who has given it, or the person nominated in it, dies or ceases to exist.

## **85 DEFECTIVE NOMINATION**

If:

- 85.1 the Company receives a notice from a member purporting to entitle another person or persons to enjoy or exercise some or all of the member's rights in relation to the Company; and

- 85.2 the notice does not comply with the requirements of the articles as regards nomination notices, or validly appoint a proxy for the purposes of a general meeting,

the directors may decide not to give effect to the notice, but if they so decide, they must inform the member of their decision and the reasons for it.

## **86 COMPANY TO KEEP RECORDS OF NOMINATIONS**

The Company shall keep a record of:

- 86.1 all persons nominated in nomination notices and the members who gave them;
- 86.2 the rights which each such person is or was entitled to enjoy or exercise by virtue of each such notice; and
- 86.3 the dates from or (if applicable) between which each such person is or was entitled to enjoy or exercise such rights.

## **DIRECTORS**

### **87 THE NUMBER OF DIRECTORS**

There must be at least 2 directors, and not more than 15. This does not include alternate directors. But the shareholders can vary this maximum and/or minimum by passing an Ordinary Resolution.

### **88 QUALIFICATION TO BE A DIRECTOR**

A director need not be a shareholder.

### **89 DIRECTORS' FEES AND EXPENSES**

- 89.1 The directors can decide on the amount, timing and manner of payment of fees to be paid by the Company to the directors for acting as directors. These fees can be satisfied in cash or in any other form.

- 89.2 The total of these fees must not exceed £12,000 a year or any higher sum decided on by an Ordinary Resolution at a General Meeting.

If the directors decide to satisfy any of these fees in shares or in any other non-cash form, the value of the shares or other assets to be counted towards this limit will be their value at the time the entitlement to them is first allocated, or provisionally allocated, to the director. This value will be taken into account for the purpose of the limit in the year in which the entitlement is first allocated, or provisionally allocated, and not in any later year when the fees, shares or other assets are actually paid or delivered to the director. This paragraph applies even if:

89.2.1 the director's entitlement to the fees, or to receive the assets, is subject to conditions which will, or may, be fulfilled at a later time;

89.2.2 the fees, shares or other assets are to be, or may be, paid or delivered to the director at a later time or the director elects, agrees or is required to receive the cash equivalent of the shares or other assets as determined by reference to their value at such later time;

89.2.3 the Company has not paid for the relevant shares or other assets at the time the director first becomes, or becomes provisionally, entitled to them, and their value subsequently changes.

89.3 Unless an Ordinary Resolution is passed to the contrary, the fees will be divided between some or all of the directors in the way that they decide. If they fail to decide, the fees will be shared equally by the directors, except that any director holding office as a director for only part of the period covered by the fee is only entitled to a pro rata share covering that part period.

## **90 EXECUTIVE PAY**

90.1 The directors can award executive pay to any director who holds any executive post, acts as Chairman or Vice-Chairman, serves on any committee of the directors, or performs any other services which the directors consider to extend beyond the ordinary duties of a director.

90.2 Executive pay can take the form of salary, commission or other benefits or can be paid in some other way. This is decided on by the directors.

## **91 DIRECTORS' EXPENSES**

91.1 The directors can also repay to a director all reasonable travelling, hotel and other expenses properly incurred:

91.1.1 to attend and return from shareholders' or debenture holders' meetings;

91.1.2 to attend and return from directors' meetings;

91.1.3 to attend and return from meetings of committees of the directors; or

91.1.4 in other ways in connection with performance of his duties for the Company.

91.2 The directors can award additional remuneration to any director who, at the request of the directors, performs special services or goes or lives abroad for any purposes of the Company.

## **92 DIRECTORS' PENSIONS AND OTHER BENEFITS**

- 92.1 It is entirely for the directors to decide whether to provide pensions, insurance, gratuities or other allowances or benefits to any people who are, or who were, directors, employees of the Company or any of its subsidiaries or any associated or acquired company or business. The directors can decide to extend these arrangements to any family member of such a person or anyone who is or was dependent on him. This includes a present or former spouse. The directors can decide to contribute to any scheme or fund or to pay premiums to a third party for these purposes.
- 92.2 As permitted by Section 247 of the Companies Act, the directors can make appropriate provision for the benefit of any present or former employee of the Company or any of its subsidiaries in connection with the cessation or the transfer of all or some of the undertaking of the Company or that subsidiary. The directors must decide on any provision of this kind by passing a resolution in accordance with Section 247 of the Companies Act.

## **93 APPOINTING DIRECTORS TO VARIOUS POSTS**

- 93.1 Subject to the legislation, the directors can appoint any director as Chairman, Deputy Chairman or Chief Executive, and can appoint one or more directors as managing director or to any other executive position (except the Company's auditor) they decide on. So far as the legislation allows, they can decide on how long these appointments will be for, and on their terms. They can also vary or end such appointments at any time.
- 93.2 A director will automatically stop holding any executive office or being Chairman or Deputy Chairman if he is no longer a director. If a director's appointment ends by virtue of this Article, this does not prejudice any claim for breach of contract against the Company which may otherwise apply. He will not stop being a director because he stops holding executive office unless the contract or resolution under which he holds office otherwise provides.
- 93.3 The directors can give a managing director or any other director appointed to an executive post any of the powers which they jointly have as directors (including authority to delegate such powers). These powers can be given on terms and conditions decided on by the directors either in parallel with, or in place of, the powers of the directors acting jointly. The directors can change the basis on which such powers are given or withdraw such powers from the executive.

## **CHANGING DIRECTORS**

### **94 AGE LIMITS**

No provisions of any legislation which would restrict the appointment of a director or require him to stop being a director because he has reached a particular age shall apply to the Company. This includes restrictions and requirements involving special formalities once an age limit is reached.

**95 RETIRING BY ROTATION**

At every Annual General Meeting one-third of the current directors must retire as directors. If one-third is not a whole number, the number of directors to retire is the number which is nearest to one-third.

**96 SELECTING THE DIRECTORS TO RETIRE BY ROTATION**

This Article states, subject to the legislation, which directors must retire at an Annual General Meeting under Article 95:

- 96.1 first, any director who wants to retire at the meeting, and who does not want to be re-elected;
- 96.2 secondly, those directors who have been directors longest since they were last elected. If there are directors who were last elected on the same date, they can agree on who is to retire. If they do not agree, they must draw lots to decide.

The selection of directors to retire is based on the number and identity of the directors when the notice of the Annual General Meeting is given. It is not affected by anything which happens between then and the meeting. In addition, any director who would not otherwise be required to retire shall retire by rotation at the third Annual General Meeting after his last appointment or reappointment.

**97 RE-APPOINTING A DIRECTOR WHO IS RETIRING**

- 97.1 At the General Meeting at which a director retires the shareholders can pass an Ordinary Resolution to re-appoint the director or to appoint some other eligible person in his place. If such an Ordinary Resolution is not passed, the retiring director is automatically re-appointed unless:

- 97.1.1 the meeting expressly resolves not to appoint a director to fill the vacancy or not to re-appoint the Director;
- 97.1.2 the director has told the Company in writing that he does not wish to be re-appointed;
- 97.1.3 the Ordinary Resolution is not passed because Article 98 is breached; or
- 97.1.4 he has reached any retirement age applicable to him as a director.

- 97.2 A director retiring at a General Meeting retires at the end of that meeting or (if earlier) when a resolution is passed to appoint someone in his place or when a resolution to re-appoint him as a director is lost. Where a retiring director is re-appointed (or treated as re-appointed under Article 97.1) he continues as a director without a break.

**98 APPOINTMENT OF TWO OR MORE DIRECTORS**

A single resolution for the appointment of two or more directors is void unless the putting of the resolution in this form has been approved by an earlier procedural vote taken at the General Meeting, with no votes cast against.

## **99 PEOPLE WHO CAN BE DIRECTORS**

**99.1** Only the following people can be appointed as directors at a General Meeting:

99.1.1 a director who is retiring at the meeting or a person who is recommended by the directors; or

99.1.2 a person who has been proposed in the following way. A shareholder who is entitled to attend and vote at the meeting (other than the proposed director) must deliver a written notice to the Company saying that he intends to propose the person for election. This notice must be delivered at least 14 clear days before the meeting, but not more than 35 clear days before. The person to be proposed must confirm in writing that he is willing to be appointed, and his confirmation must be included with the notice. The notice must include the details which would need to be included in the Company's register of directors.

**99.2** The Company must give notice of any person who is proposed for appointment or re-appointment as a director at a General Meeting. This does not apply in the case of a director who is retiring by rotation at the meeting. The notice must:

99.2.1 be delivered at least 7 clear days before the meeting, but not more than 28 clear days before. This period does not include the date on which the notice is given;

99.2.2 be given to everyone who is entitled to receive notice of the meeting; and

99.2.3 give the details which would need to be included in the Company's register of directors if the person were appointed.

## **100 THE POWER TO FILL VACANCIES AND APPOINT EXTRA DIRECTORS**

**100.1** The directors can appoint any person as an extra director (if Article 87 allows this) or to fill a vacancy. Any director appointed in this way must retire at the first Annual General Meeting after his appointment. At this Annual General Meeting he can be appointed by the shareholders as a director. A director who retires in this way is not taken into account in deciding which and how many directors should retire by rotation at the Annual General Meeting (see Article 96).

**100.2** At a General Meeting the shareholders can also pass an Ordinary Resolution to fill a vacancy or to appoint an extra director (if Article 87 allows this). The shareholders can also decide the rotation in which any extra directors must retire. The new director must be willing to act.

## **101 REMOVING AND APPOINTING DIRECTORS BY AN ORDINARY RESOLUTION**

**101.1** The shareholders can pass an Ordinary Resolution to remove a director, even though his time in office has not ended. This applies despite anything else said in the Articles, or in any agreement between the Company and any director. Special notice of the Ordinary Resolution must be given to the Company as required by the

legislation. But if a director is removed in this way, it will not affect any claim which he may have for damages for breach of any contract of service he may have.

- 101.2 The shareholders can pass an Ordinary Resolution to appoint a person to replace a director who has been removed in this way. A person appointed under this Article to replace a director who has been removed retires by rotation under Article 96 when the director he replaces would have been due to retire. If no director is appointed under this Article, the vacancy can be filled under Article 100.

## **102 WHEN DIRECTORS ARE DISQUALIFIED**

Any director automatically ceases to be a director in any of the following circumstances:

- 102.1 If a bankruptcy order is made against him.
- 102.2 If he makes any arrangement or composition with his creditors or applies for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act.
- 102.3 If he is or may be suffering from mental or physical disorder and either:
- 102.3.1 he is the subject of a written opinion to the Company from a registered medical practitioner who is treating that director stating that that director has become physically or mentally incapable of acting as a director and may remain so for more than three months; or
  - 102.3.2 he is the subject of a Court order by reason of his mental health which wholly or partly prevents him from personally exercising any power or rights which he would otherwise have.
- 102.4 If he has missed directors' meetings for a continuous period of six months, without permission from the directors, and the directors pass a resolution stating that he has ceased to be a director.
- 102.5 If he is prohibited from being a director under the legislation.
- 102.6 If (not being appointed for a fixed term) he gives the Company notice of his resignation.
- 102.7 If three-quarters in number of the other directors sign a notice requiring the director to resign. They must be at least 3 in number. He will cease to be a director when the notice is served on him. But if a director is removed in this way this is an act of the Company which does not affect any claim for damages for breach of any contract of service which he may have.

## **ALTERNATE DIRECTORS**

### **103 ALTERNATE DIRECTORS**

- 103.1 Any director may appoint as an alternate any other director, or any other person approved by resolution of the directors, to-



103.1.1 exercise the director's powers; and

103.1.2 carry out that director's responsibilities

in relation to the taking of decisions by the directors in the absence of the alternate's appointor.

103.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors. The notice must-

103.2.1 identify the proposed alternate; and

103.2.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that that the proposed alternate is willing to act as an alternate of the director giving the notice.

103.3 The appointment of an alternate director ends on the expiry of the period for which he was appointed if any has been specified or on the happening of any event which, if he were a director, would cause him to vacate such office. It also ends if his appointor ceases to be a director, unless that director retires at a General Meeting at which he is appointed again. He can resign his office by notice to the Company. A director can also remove his alternate by a written notice delivered to the Company.

103.4 An alternate director is entitled to receive notices of meetings of the directors, or of committees of which his appointor is a member (except when absent from the United Kingdom). He is entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a director. The provisions of the Articles regulating the meeting apply as if he (instead of his appointor) were a director. If he is himself a director or attends any such meeting as an alternate for more than one director, he can vote cumulatively for himself and for each other director he represents but he may not be counted more than once for the purposes of the quorum.

103.5 An alternate director is entitled to contract and be interested in and benefit from contracts and arrangements and to be repaid expenses and to be indemnified to the same extent as if he were a director, but is not entitled to receive any pay from the Company as alternate director.

103.6 Except if the Articles say otherwise, an alternate director is responsible for his own acts and defaults. No one else is responsible for him. He is not the agent of the appointing director.

103.7 Other than as provided in this Article an alternate director shall not have power to act as a director and shall not be deemed to be a director.

## **DIRECTORS' MEETINGS**

**104 DIRECTORS' MEETINGS**

The directors can decide when to have meetings and how they shall be conducted and on the quorum. They can also adjourn their meetings. This is subject to the provisions of these Articles.

**105 WHO CAN CALL DIRECTORS' MEETINGS**

A meeting can be called by the Chairman or the Chief Executive. The Company Secretary must also call a meeting if a director requests a meeting.

**106 HOW DIRECTORS' MEETINGS ARE CALLED**

Meetings are called by serving a notice on all directors. Any director can waive notice of any meeting, including one which has already taken place. Notice is served personally or by word of mouth or sent in writing to the director's last known address or any other address supplied to the Company. The address may be in the United Kingdom or elsewhere. Unless a director supplies the Company with an address to which notice of meetings can be served for him, he is deemed to have waived his entitlement to notice.

**107 QUORUM**

If no other quorum is fixed by the directors, two directors are a quorum. A meeting at which a quorum is present can exercise all the powers and discretions of the directors. If no director objects, a director who ceases to be a director at a meeting can stay and be counted if a quorum would not otherwise be present.

**108 THE CHAIRMAN OF DIRECTORS' MEETINGS**

If the Chairman of the Company is at a meeting, he will chair it, unless he does not wish to do so. If the Chairman of the Company is not present and willing to take the chair within five minutes of the time when the meeting is due to start, the directors who are present can choose which one of them will be the chairman of the meeting.

**109 VOTING AT DIRECTORS' MEETINGS**

Matters for decision which arise at a director's meeting will be decided by a majority vote. If votes are equal, the chairman of the meeting shall have a second or casting vote.

**110 TELEPHONE MEETINGS**

Any or all of the directors, or members of a committee, can take part in a meeting of the directors or of a committee by way of a conference telephone or video teleconference equipment or by use of similar equipment designed to allow everybody to take part in the meeting or by a series of telephone calls from the chairman of the meeting.

Taking part in this way will be counted as being present at the meeting and entitles a director to vote and count in the quorum. A meeting which takes place by conference

telephone or using video conference equipment or by a series of calls from the chairman will be treated as taking place at the place where the chairman is.

## **111 RESOLUTIONS IN WRITING**

This Article applies to a written resolution which is signed by all of the directors who are in the United Kingdom or have given the Company a valid address for service of notice of any board meeting and who would be entitled to vote on the resolution at a directors' meeting or committee meeting and who are at least sufficient in number to form a quorum. This kind of resolution is just as valid and effective as a resolution passed by the directors at a meeting or committee meeting which is properly called and held. The resolution can be passed using several copies of a document, if each document is signed by one or more directors. These copies can be facsimile copies. This Article also applies to written resolutions by committees of directors. A resolution agreed and signed by an alternate director need not be agreed and signed by his appointor and vice versa.

## **112 THE VALIDITY OF DIRECTORS' ACTIONS**

Everything which is done by any directors' meeting, or by a committee of the directors, or by a person acting as a director, or as an alternate director, or as a member of a committee, will be valid even though it is discovered later than any director, or person acting as a director, was not properly appointed. This also applies if it is discovered later than anyone was disqualified from being a director, or had ceased to be a director or was not entitled to vote. In any of these cases in favour of anyone dealing with the Company in good faith anything done will be as valid as if there was no defect or irregularity of the kind referred to in this Article.

## **113 DIRECTORS' CONFLICTS OF INTEREST**

**113.1** A director must 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 unless the transaction is with the Company or the matter has been authorised by the directors or the situation cannot reasonably be regarded as likely to give rise to a conflict of interest.

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

- (i) any matter which would otherwise result in a director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties);
- (ii) a director to accept or continue in any office, employment or position in addition to his office as a director of the Company and without prejudice to the generality of this Article 113.2

may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that for this purpose the director in question and any other interested director are not counted in the quorum at any board meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

113.3 If a matter, or office, employment or position, has been authorised by the directors in accordance with this Article 113 then:

- (i) the director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;
- (ii) the director may absent himself from meetings of the directors at which anything relating to that matter, or that office, employment or position, will or may be discussed; and
- (iii) the director may make such arrangements as such director thinks fit for board and committee papers to be received and read by a professional adviser on behalf of that director.
- (iv) A director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the directors pursuant to this Article 113 (subject in any such case to any limits or conditions to which such approval was subject).

## 114 VOTES AND DIRECTORS' INTEREST

114.1 A director who is in any way, directly or indirectly interested in a proposed or existing contract, transaction or arrangement with the Company must forthwith declare the nature and extent of that interest to the other directors unless it cannot reasonably be regarded as likely to give rise to a conflict of interest.

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

114.3 Subject to the provisions of the Statutes and always to the provisions of Article 113, a director shall (in the absence of some other material interest than is indicated below)

be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

- 114.3.1 The giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
  - 114.3.2 The giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - 114.3.3 Any contract or arrangement by a director to participate in the underwriting or sub-underwriting of any offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription, purchase or exchange;
  - 114.3.4 Any contract or arrangement concerning any other company in which the director and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in sections 820 to 825 of the Companies Act) representing one per cent. or more of either any class of the equity share capital, or the voting rights, in such company. For the purpose of this paragraph, there shall be disregarded any shares held by a director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the director is interested only as a unit holder;
  - 114.3.5 Any arrangement for the benefit of employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
  - 114.3.6 Any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of inter alia any Directors of the Company.
- 114.4 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) or the termination of appointment (including fixing or varying the terms of such termination) of two or more directors to or from offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each director separately and in such case each of the directors concerned (if not otherwise debarred from voting under these Articles) shall be entitled to vote (and counted in the quorum) in respect of each resolution except that concerning his own appointment or termination of appointment.
- 114.5 If any question shall arise at any time as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting (or if the director concerned is the chairman to the other

directors at the meeting) and his or their ruling (as the case may be) shall be final and conclusive except in a case where the nature or extent of the interests of such director has not been fairly disclosed.

- 114.6 Subject as otherwise provided in the Statutes or these Articles, a director may be in any way, directly or indirectly, interested in any contract or arrangement or transaction with the Company and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof. For the avoidance of doubt, the Company shall have no claim arising from, or in consequence of, the director's interest in any contract or arrangement or transaction within the scope of this Article 114 and Article 113 and the director shall not breach any of his duties to the Company as a result of having that interest.
- 114.7 For the purposes of this Article 114 an interest of a person who is, connected with a director (within the meaning of Section 252 of the Companies Act) shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director otherwise has.
- 114.8 An interest of a director may be declared by notice in writing pursuant to s.184 of the Companies Act or by means of a general notice under s.185 of the Companies Act.
- 114.9 This Article 114 does not require a declaration of an interest of which the director is not aware (and ought not reasonably to be aware of it) or where the director is not aware of the transaction or arrangement in question (and ought not reasonably to be aware of it).
- 114.10 The Company may by Ordinary Resolution suspend or release the provisions of this Article 114 to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.

## **115 VACANCIES AND MINIMUM NUMBER**

The continuing directors may act notwithstanding any vacancies, but if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing directors or director may act for the purpose of filling such vacancies or of summoning General Meetings, but not for any other purpose. If there be no directors or director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing directors.

## **116 CHAIRMAN**

- 116.1 The directors may elect from their number a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each is to hold office. If no Chairman or Deputy Chairman shall have been appointed or if at any

meeting of the directors no Chairman or Deputy Chairman shall be present within five minutes after the time appointed for holding the meeting the directors present may choose one of their number to be chairman of the meeting.

- 116.2 If at any time there is more than one Deputy Chairman the right in the absence of the Chairman to preside at a meeting of the directors or of the Company shall be determined as between the Deputy Chairman present (if more than one) by seniority in length of appointment or otherwise as resolved by the directors.

## **DIRECTORS' COMMITTEES**

### **117 DELEGATING POWERS TO COMMITTEES**

The directors can delegate any of their powers or discretions to committees of one or more directors. This includes powers or discretions relating to directors' pay or giving benefits to directors. The directors can decide to include one more co-opted people on these committees, as explained in this Article. If the directors have delegated any power or discretion to a committee, any references in the Articles to using that power or discretion include its use by the committee. Any committee must comply with any regulations laid down by the directors. These regulations can require or allow people who are not directors to be co-opted onto the committee, and can give voting rights to co-opted members. But there must be more directors on a committee than co-opted members and a resolution of the committee is only effective if a majority of the members of the committee present at the time of the resolution are directors.

### **118 COMMITTEE PROCEDURE**

The Articles which regulate directors' meetings and their procedure will also apply to committee meetings (if they can apply to committee meetings), unless these are inconsistent with any regulations for the committee which have been laid down under Article 117.

## **DIRECTORS' POWERS**

### **119 THE DIRECTORS' MANAGEMENT POWERS**

- 119.1 The directors shall manage the Company's business. They can exercise all the Company's powers. But this does not apply where the Articles, or the legislation, say that powers can only be exercised by the shareholders voting to do so at a General Meeting. The general management powers under this Article are not limited in any way by specific powers given to the directors by other Articles.

- 119.2 The directors are, however, subject to the provisions of the legislation, the requirements of the Memorandum and these Articles and any regulations laid down by the shareholders by passing a Special Resolution at a General Meeting.

However, if any alteration is made to the Memorandum or Articles or the shareholders lay down any regulation relating to something which the directors have already done which was within their powers, such alteration or regulation cannot invalidate the directors' previous action.

## **120 THE POWER TO APPOINT ATTORNEYS**

- 120.1 The directors can appoint anyone (including the members of a group which changes over time) as the Company's attorney or agent by granting a power of attorney or by authorising them in some other way. The directors can decide on the powers, authorities and discretions of attorneys or agents. But they cannot give an attorney or agent any power, authority or discretion which the directors do not have under these Articles. They can revoke or vary any appointment of an attorney or agent.
- 120.2 The directors can decide how long the appointment of an agent or attorney will last for, and they can attach any conditions to it. The appointment can also include any provisions which the directors decide on for the protection and convenience of anybody dealing with the agent or attorney. They can also allow the agent or attorney to delegate any or all of his powers, authorities or discretions to any other person.

## **121 POWER TO ESTABLISH LOCAL BOARDS**

The directors can set up local boards or agencies to manage any of the Company's business. These can be either in or outside the United Kingdom. The Directors can appoint, remove and reappoint anybody to be members of any local board or local directors, managers or agents. These people need not be directors. The directors can decide on their pay, delegate any of their authority, powers or discretions to any local board and any director, manager or agent (this can include giving any of them the power to delegate to another person), allow some or all of the members of local boards to fill any vacancies on their boards, allow local boards to continue to act even though there are vacancies, remove any people they have appointed in any of these ways and cancel or change anything that they have delegated, although this will not affect anybody who acts in good faith who has not had any notice of any cancellation or variation.

Any appointment or delegation by the directors which is referred to in this Article can be on any terms and conditions decided by the directors.

## **122 JOB TITLES WHICH INCLUDE THE WORD "DIRECTOR"**

The directors can give titles to people who work, or are going to work, for the Company, and whose titles include the word "director", even if they are not directors of the Company. They can also change or take these titles away. Even though their titles include "director", this does not imply that they are directors of the Company. Nor can they act as a director as a result of having such a title or be treated as a director for any of the purposes of the Articles.

## **123 SHARES HELD BY THE COMPANY**

The directors can exercise the voting power of any shares in any company held by the Company. They can decide how to do this. This includes voting for any resolution appointing its members or any of the directors of that company or voting on or providing for the payment of the directors of that company.



## 124 BORROWING POWERS

124.1 So far as the legislation allows, the directors may exercise all the powers of the Company:

124.1.1 to borrow money;

124.1.2 to mortgage or charge all or any of the Company's undertaking, property (present and future) and uncalled capital;

124.1.3 to issue debentures and other securities; and

124.1.4 to give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

124.2 The directors must limit the borrowings of the Company and must exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to ensure (but as regards subsidiaries only to the extent that they can do so by the exercise of such rights or powers of control) that the aggregate principal amount of all borrowings by the Group (exclusive of borrowings owing by one member of the Group to another member of the Group) outstanding at any time does not exceed three times the Adjusted Capital and Reserves. However, this limit may be exceeded if the consent of the Company has previously been given by an Ordinary Resolution passed at a General Meeting.

124.3 For the purpose of Article 124.2:

(a) **the Adjusted Capital and Reserves** means the aggregate from time to time of:

(i) the amount paid up or credited as paid up on the issued share capital of the Company; and

(ii) the amount standing to the credit of the reserves (including any share premium account, capital redemption or other capital reserve, property revaluation reserve, related companies' reserves and any credit balance on profit and loss account) all as shown by the then latest audited balance sheet after:

124.3.2 deducting or adding any debit or credit balance on profit and loss account (except to the extent that such deduction has already been made);

124.3.3 making adjustments to reflect any variation in the amount of such paid up share capital, share premium account, capital redemption or other capital reserve, property revaluation reserve or related companies' reserves since the date of such audited balance sheet;

124.3.4 excluding any sums set aside for taxation (other than deferred taxation) less any sums properly added back in respect thereof;

124.3.5 making such adjustments as may be appropriate in respect of any distributions declared, recommended or made by the Company out of profits earned up to and including the date of the latest audited balance sheet to the extent that such distribution is not provided for in such balance sheet;

124.3.6 making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries since the date of the latest audited balance sheet of the Company;

124.3.7 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, making all such adjustments as would be appropriate if such transaction had been carried into effect;

124.3.8 excluding minority interests in subsidiaries;

but the amount of goodwill shown as an intangible asset in such audited balance sheet is not to be deducted; and

(i) any amounts noted in the then latest audited accounts as having been eliminated from the audited balance sheet in respect of goodwill arising on acquisitions;

(b) for the purposes of paragraph (a) above if any issue or proposed issue of shares by any member of the Group for cash has been underwritten then such shares are to be treated as issued and the amount (including the premium) of the subscription monies payable for those shares, to the extent so underwritten, is to be treated as 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). This does not apply if the date of payment of the subscription monies on the shares is more than six months after the date of allotment of the shares;

(c) **borrowings** includes except in so far as otherwise taken into account:

(i) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed monies, if:

124.3.9 a member of the Group does not have the beneficial interest in them or the right to repayment of them at the relevant time; and

124.3.10 the payment or repayment of the shares, debenture or borrowed monies is the subject of a guarantee or indemnity by a member of the Group;

(ii) the outstanding principal amount raised by acceptances by any bank or accepting house (which are not acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course) under any acceptance credit opened on behalf of and in favour of any member of the Group;

- (iii) the principal amount of any debentures (whether secured or unsecured) of a member of the Group which are not owned by a member of the Group;
  - (iv) the nominal amount of any preference share capital of any subsidiary of the Company which is not beneficially owned by a member of the Group; and
  - (v) any fixed or minimum premium payable on repayment of any borrowing or deemed borrowing;
  - (vi) but does not include:
  - (vii) borrowings for the purpose of repaying the whole or any part of other outstanding borrowings by a member of the Group which are to be used for this purpose within six months of being borrowed, pending their use for that purpose within that period;
  - (viii) borrowings for the purpose of financing any contract if any part of the price receivable under the contract by a member of the Group is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other Governmental department or other like institution fulfilling a similar function, up to an amount not exceeding that part of the price receivable under the contract which is guaranteed or insured in this way; and
  - (ix) amounts borrowed or raised that are at the relevant time deposited with H M Customs and Excise, or any other body designated by any relevant legislation or order in connection with import deposits or any similar Governmental scheme, to the extent that a member of the Group retains its interest in those amounts;
- (d) borrowings:
- (i) by a partly-owned subsidiary which are not owed to another member of the Group are to be taken into account (except that a proportion of the borrowings equal to the minority proportion is to be excluded);
  - (ii) which are owed to a partly-owned subsidiary by another member of the Group are to be taken into account to the extent of a proportion equal to the minority proportion;

for these purposes minority proportion means the proportion of the issued equity share capital of such partly-owned subsidiary which is not attributable to the Group;

- (e) when the aggregate principal amount of borrowings required to be taken into account for the purposes of this Article on any particular date is being ascertained:
- (i) any monies denominated or repayable (or repayable at the option of any person other than the members of the Group concerned) in a currency other than sterling are to be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on that date in London. However, such monies are to be converted at the rate of exchange prevailing in London six months before that day if the aggregate amount resulting would be less. For this purpose the rate of exchange to be used is the middle market rate as at the opening of business;
  - (ii) if, under the terms of any borrowing, the amount of money that would be required to discharge the principal amount of the borrowing in full if it was repayable (either at the option of the relevant member of the Group or as a result of default) on that date is less than the amount that would otherwise be taken into account in respect of such borrowing under this Article, the amount of the borrowing to be taken into account is the lesser amount; and
  - (iii) amounts borrowed by a company before, and outstanding after, it becomes a subsidiary of the Company are not to be included until the expiry of a period of six months from the date on which the company becomes a subsidiary of the Company unless the reserves of the company have been included in the audited balance sheet during such period of six months;
- (f) audited balance sheet means the audited balance sheet of the Company prepared for the purposes of the legislation unless the audited consolidated balance sheet of the Company and its subsidiaries (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purposes of the legislation) as at the date of the audited balance sheet of the Company is available; in that case the audited balance sheet means the audited consolidated balance sheet of the Company and its subsidiaries, and references to reserves and profit and loss account are to be treated as references to consolidated reserves and consolidated profit and loss account respectively;
- (g) the Company may from time to time change the accounting convention on which the audited balance sheet is based, so long as any new convention adopted complies with the requirements of the legislation; if the Company should prepare its main audited balance sheet on the basis of one such convention, but a supplementary audited balance sheet or statement on the basis of another, the main audited balance sheet is to be taken as the audited balance sheet for the purposes of this Article.

124.4 A certificate or report by the auditors for the time being of the Company 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 will be conclusive evidence of such amount or fact for the purposes of this Article. Nevertheless, for the purposes of this Article the directors can act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves at any time and if in consequence the limit stated in Article 124.2 is inadvertently exceeded an amount of borrowed monies 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 became aware that such a situation had or may have arisen.

124.5 No lender or other person dealing with the Company need see or enquire whether the limit imposed by this Article is observed. No borrowing incurred or security given in excess of this limit will be invalid or ineffective unless the lender or the recipient of the security had express notice at the time when the borrowing was incurred or security given that the limit had been or would as a result be exceeded.

## **THE COMPANY SECRETARY**

### **125 THE SECRETARY**

125.1 The Secretary is appointed by the directors. The directors decide on the terms and period of his appointment. The directors may also remove the Secretary, but this does not affect any claim for damages against the Company for breach of any contract of employment he may have.

125.2 The directors can also appoint one or more people to be deputy or assistant Secretary. The directors decide on the terms and period of their employment. The directors can also remove any deputy or assistant Secretary, but this does not affect any claim for damages against the Company for breach of any contract of service he may have. Anything which the Articles require, or allow, to be done by the Secretary can also be done by any deputy or assistant Secretary.

## **MINUTES**

### **126 KEEPING MINUTES**

The directors must make sure that proper minutes are kept of the resolutions, proceedings and names of people who attend directors' meetings and directors' committees and the proceedings, resolutions and business and any orders made at any General Meeting.

These minutes must be recorded in minute books. If a minute has apparently been signed by the chairman of the meeting, or by the chairman of the meeting which approves the minutes, this minute will prove what it records without any need for any further proof.

## **THE SEAL**

## **127 THE SEAL**

- 127.1 The Seal can only be used with the authority of the directors or of a committee authorised by the directors.
- 127.2 The directors can decide who is to sign any document which is sealed using the Seal. Where they do not decide, it can be signed by a director and the secretary or by two directors or by any person authorised by the directors who signs in the presence of a witness who also signs.
- 127.3 The directors can use all the powers given by the legislation relating to official seals for use abroad.
- 127.4 The directors can decide to print share or debenture certificates which are sealed with the Seal with a copy of a signature or signatures or with no signature at all. The directors can decide this either in relation to a particular certificate or in general.

## **AUTHENTICATING DOCUMENTS**

### **128 ESTABLISHING THAT DOCUMENTS ARE GENUINE**

- 128.1 Any director or the Secretary has power to authenticate any of the following documents or records, and to certify copies or extracts from them as true copies or extracts:
- 128.1.1 any documents relating to the Company's constitution;
  - 128.1.2 any resolutions passed by the shareholders or by any class of shareholders, or by the directors or by a committee of the directors; and
  - 128.1.3 any books, documents, records or accounts which relate to the Company's business.
- 128.2 The directors can also give this power to others when any books, documents, records and accounts are not kept at the Registered Office. The officer of the Company who holds them is treated as a person who has been authorised by the directors to authenticate any of them and to provide certified copies or extracts from them.
- 128.3 This Article 128.3 applies to a document which appears to be a copy of a resolution or an extract from the minutes of any meeting, and which is certified as a copy or extract as described in Article 128.1 or 128.2. This document is conclusive evidence for anyone who deals with the Company on the strength of the document that the resolution has been properly passed or the minutes or extract are a true and accurate record of the proceedings of a valid meeting.

## **DIVIDENDS**

### **129 FINAL DIVIDENDS**

As far as the legislation allows, the Company's shareholders can declare dividends by passing an Ordinary Resolution. No such dividend can exceed the amount recommended by the directors.

## **130 INTERIM AND FIXED DIVIDENDS**

- 130.1 As far as the legislation allows, the directors can, if they consider that the profits of the Company justify such payments declare and pay interim dividends on shares of any class of such amounts and on such dates and for such periods as they decide and declare and pay the fixed dividends on any class of shares carrying a fixed dividend on the dates prescribed for the payment of such dividends.
- 130.2 No interim dividend can be declared or paid on shares which do not have preferred rights, if at the time of declaration any dividend on shares which have preferred dividend rights is in arrears.
- 130.3 If the directors act in good faith, they are not liable to the holders of any shares for any loss they may suffer because a lawful dividend has been paid under this Article on other shares which rank behind their shares.

## **131 CURRENCY OF PAYMENT**

- 131.1 Unless the rights or terms of any shares, or the Articles say otherwise, a dividend or any other money payable in respect of a share can be declared or paid in whatever currency the directors decide.
- 131.2 The directors can decide that a particular Approved Depositary should be able to receive dividends in a currency other than the currency in which it is declared and can make arrangements accordingly. In particular, if an Approved Depositary has chosen or agreed to receive dividends in another currency, the directors can make arrangements with the Approved Depositary for payment to be made to the Approved Depositary for value on the date on which the relevant dividend is paid, or a later date decided on by the directors.
- 131.3 When a dividend is to be paid in a currency other than the currency in which it was declared the exchange rate to be used for conversion of the dividend is whatever market rate the directors consider to be appropriate as at the close of business on the last business day before the date when the directors publicly announce their intention to recommend the particular dividend, if it is a dividend declared by the shareholders passing a resolution at a General Meeting, or the date when the directors declare the particular dividend, in any other case. The decision of the directors regarding the exchange rate is conclusive and binding.

## **132 DISTRIBUTIONS IN KIND**

If the directors recommend this, the Company's shareholders can pass an Ordinary Resolution to direct all or part of a dividend to be paid by distributing specific assets (and in particular paid-up shares or debentures of any other company). The directors must give effect to such resolution. Where any difficulty arises on such a distribution, the directors can settle it as they think appropriate. In particular, they can:

- 132.1 issue certificates for fractions, or authorise any person to sell and transfer fractions, or ignore fractions arising or retain amounts in respect of fractions for the benefit of the Company;
- 132.2 value assets for distribution purposes;

132.3 pay cash of a similar value to adjust the rights of shareholders; and/or

132.4 vest any assets in trustees.

**133 NO DIVIDENDS ARE PAYABLE EXCEPT OUT OF PROFITS**

No dividend can be paid otherwise than out of profits available for distribution under the legislation.

**134 APPORTIONING DIVIDENDS ACCORDING TO AMOUNTS PAID UP**

All dividends will be divided and paid in proportions based on the amounts which have been paid up on the shares during any of the period for which the dividend is paid. Sums which have been paid up in advance of calls do not count as paid up for this purpose. But if the rights or terms of any share say that it will be entitled to a dividend as if it were a fully paid-up, or partly paid-up, share from a particular date (in the past or the future), it will be entitled to a dividend on this basis. This Article applies unless the rights or terms of any shares say otherwise.

**135 DEDUCTING AMOUNTS OWING FROM DIVIDENDS AND OTHER MONEY**

If a shareholder owes any money for calls on shares, or money relating in any other way to shares, the directors can deduct any of this money from any dividend on any shares held by the shareholder or any other money payable by the Company in connection with the shares. Money deducted in this way can be used to pay amounts owed to the Company in connection with the shares.

**136 PAYMENTS TO SHAREHOLDERS**

136.1 Any dividend or other money payable in cash relating to a share (in whatever currency) can be paid by cheque or warrant payable to the shareholder who is entitled to it, and sent to the address recorded for him on the Register, or to someone else named in a written instruction from the shareholder (or from all joint shareholders). In the case of shares held in uncertificated form, such payment can also be made by means of a relevant system. A dividend can also be paid by intra-bank transfer or a similar automated payment method to an account named in a written instruction from the person receiving the payment. Alternatively, a dividend can be paid in some other way authorised by the shareholder (or all joint shareholders).

136.2 For joint shareholders, the dividend will be paid to the person whose name appears first in the Register. In the case of joint shareholders, or persons otherwise jointly entitled to shares by law, the Company can rely on a receipt for a dividend or other money paid on shares from any one such person.

136.3 Cheques and warrants are sent, and payment in any other way is made, at the risk of the people who are entitled to the money. The Company is treated as having paid a dividend if such a cheque or warrant is cleared, or if a payment by means of a relevant system or a transfer of funds by a bank is made in accordance with instructions given by the Company.



136.4 No dividend or other sum payable by the Company on or in respect of any of its shares carries a right to interest from the Company, unless the rights of the shares say otherwise.

136.5 The directors can pay the dividends or interest relating to a share to the person who is entitled to the share by transmission. He must first produce any certificate or other evidence which he would need to produce when applying to be registered as a shareholder in respect of the share.

### 137 **RECORD DATE**

Any dividend on any shares can be paid to the holder or holders of the shares shown on the Register at the close of business on a particular date stated in the resolution passed for payment of the dividend. It will be based on the number of shares registered at that time. This Article applies whether what is being done is the result of a resolution of the directors or a resolution passed at a General Meeting. The date can be before the relevant resolution was passed. This Article does not affect any rights to payments or other benefits on shares as between a person who has transferred the shares and the person who has acquired them.

### 138 **DIVIDENDS WHICH ARE NOT CLAIMED**

138.1 If the directors pay unclaimed dividends into a separate account, the Company will not be a trustee of the money. If a dividend has not been claimed for 12 years after the passing of the resolution for payment of that dividend, the Company will no longer have to pay the dividend.

138.2 The Company can stop paying dividends by cheque or other payment order if cheques or other payment orders for two dividends in a row are sent back or not cashed. It can also stop after one such dividend if it cannot establish a new address for the shareholder after making reasonable enquiries. The Company must start paying dividends in this way again if the shareholder or a person entitled to the shares by operation of law claims a dividend or cashes a dividend cheque or warrant.

### 139 **RESERVE FUNDS**

The directors can set aside a reserve fund or account out of the Company's profits. They can set aside the sums which they think are appropriate. The funds can be used in any way the directors decide on, as long as it is lawful to use the profits in this way. The directors can divide a reserve fund into separate funds for special purposes. The directors can either use the sums in these reserves to carry on the Company's business or they can invest them in any investments they choose. But they cannot invest them in the Company's shares or the shares of any holding company of the Company. The directors can also carry forward amounts which have been previously set aside, if they decide that this is in the Company's interests.

## **CAPITALISING RESERVES**

## 140 CAPITALISING RESERVES

- 140.1 Without any need of approval from the Company's shareholders, the directors can change into capital any sum which is part of any of the Company's reserves (including premiums received when any shares were issued, capital redemption reserves or other undistributable reserves) or which the Company is holding as net profits which are not required for paying any preferential dividend (whether or not available for distribution).
- 140.2 The directors can use the sum which is changed into capital by setting it aside for the ordinary shareholders on the Register at the close of business on the date stated in the resolution or fixed as stated in the resolution. The sum set aside can be used to pay up in full shares of the Company and allot such shares and distribute them to shareholders as bonus shares in proportion to their holdings of Ordinary Shares at the time. The shares can be Ordinary Shares or shares of some other class. Alternatively, debentures or other obligations can be allotted in the same way. The sum set aside can also be used for or towards paying up any amounts which are unpaid on partly paid shares held by the ordinary shareholders in the same proportion. A combination of these things can also be done. However, profits which are not available for distribution can only be used to pay up shares to be allotted to shareholders fully paid. This Article is subject to the rights of any existing shares.
- 140.3 If any difficulty arises in operating this Article, the directors can resolve it in any way which they decide. For example, they can deal with entitlements to fractions of a share. They can decide that the benefit of share fractions belongs to the Company or that share fractions are ignored or deal with fractions in some other way.
- 140.4 The directors can appoint any person to sign any contract with the Company on behalf of those who are entitled to shares under the resolution. Such a contract is binding on all concerned. The contract can provide for either allotment of fully paid shares, debentures or other obligations to the shareholders entitled upon capitalisation or proportional payment by the Company of the amounts unpaid on existing shares.

## SCRIP DIVIDENDS

- 141 **SHAREHOLDERS CAN BE OFFERED THE RIGHT TO RECEIVE NEW SHARES INSTEAD OF CASH DIVIDENDS**
- 141.1 The directors can offer Ordinary Shareholders the right to choose to receive new Ordinary Shares, which are fully paid up, instead of all or part of their cash dividend. Before they can do this, the Company's shareholders must have passed an Ordinary Resolution authorising the directors to make this offer.
- 141.2 The Ordinary Resolution can apply to a particular dividend or dividends, or it can apply to some or all of the dividends which may be declared or paid in a specified period not exceeding five years.
- 141.3 The directors can offer shareholders the right to request new shares instead of cash for the next dividend or all future dividends (if a share alternative is made available), until they tell the Company that they no longer wish to receive new shares. The directors can also allow shareholders to choose between these alternatives.

- 141.4 A shareholder is entitled to Ordinary Shares whose total relevant value is as near as possible to the cash dividend he would have received but not normally in excess of it. The relevant value of a share is the average market value of the Company's Ordinary Shares for the five dealing days starting from, and including, the day when the shares are first quoted "ex-dividend" or a later day chosen by the directors. This average market value is worked out from the average middle market quotations for the Company's Ordinary Shares on the London Stock Exchange, as published in its Daily Official List. Alternatively the directors may determine a wholly different basis for calculating the relevant value which may be greater or less than the cash dividend that would otherwise have been received. A certificate or report from the Company's auditors stating the relevant value of a share for any dividend will be conclusive evidence.
- 141.5 No shareholders will receive a fraction of a share. The directors can decide how to deal with any fraction left over. For example, the directors can decide that:
- 141.5.1 the Company can have the benefit of the left over fractions;
  - 141.5.2 the fractions will be retained and accumulated for the benefit of the relevant shareholder (without interest) and later used up in the allotment of fully paid shares by a capitalisation made in the same way as under Article 136.8;
  - 141.5.3 the fractions will be accumulated for the benefit of the relevant shareholder (without interest) and later used to acquire further fully paid shares by cash subscription; or
  - 141.5.4 the fractions will be paid to the shareholder either at the time of payment of the dividend or at some later time such as when the shareholder transfers his shares.
- 141.6 The directors must notify shareholders in writing of their right to request new shares instead of cash and of the procedure which they must follow in order to exercise this right. The directors have all necessary powers to give effect to this Article 141 including amending, suspending or terminating any offer in operation.
- 141.7 The directors can exclude or restrict the right to opt for new shares (including that of an Approved Depository or its nominee) or make any other arrangements where they decide that this is necessary or convenient to deal with problems relating to laws of any territory or problems relating to the requirements of any recognised regulatory body or stock exchange in any territory.
- 141.8 So far as a shareholder opts to receive new shares, the dividend, or the part of the dividend, on the shares for which he has opted to receive new shares (which are called the elected shares), will not be declared or payable. Instead, new Ordinary Shares will be allotted on the basis set out earlier in this Article. To do this the directors will convert into capital the sum equal to the total nominal amount of the new Ordinary Shares to be allotted. They will use this sum to pay up in full the appropriate number of new Ordinary Shares. These will then be allotted and distributed to the holders of the elected shares as set out above. The sum to be converted into capital can be taken from any amount which is then in any reserve or fund (including the share premium account and any capital redemption reserve or any of the Company's distributable

profits). Article 140 applies to this process, so far as it is consistent with this Article 141.

- 141.9 The new Ordinary Shares rank equally in all respects with the existing fully paid-up Ordinary Shares at the time when the new Ordinary Shares are allocated. But they are not entitled to share in the dividend from which they arose and do not allow the holder to opt for new shares instead of that dividend.

## **ACCOUNTS**

### **142 ACCOUNTING AND OTHER RECORDS**

The directors must make sure that proper accounting records that comply with the legislation are kept to record and explain the Company's transactions.

### **143 LOCATION AND INSPECTION OF RECORDS**

- 143.1 The accounting records must be kept at the Registered Office or at any other place which the legislation allows selected by the directors.

- 143.2 The Company's officers always have the right to inspect the accounting records.

- 143.3 Anyone else (including a shareholder) does not have any right to inspect any books or papers of the Company unless the legislation or a proper court order gives him that right or the directors authorise him to do so.

### **144 SENDING COPIES OF ACCOUNTS AND OTHER DOCUMENTS**

- 144.1 This Article applies to every balance sheet and profit and loss account to be laid before the Company's shareholders at a General Meeting with any other document which the law requires to be attached to these.

- 144.2 Copies of the documents set out in Article 143.1 must be made available to the Company's shareholders and debenture holders and all other people to whom the Articles, or the legislation so require. This must be done at least 21 days before the relevant General Meeting. The Company need not make these documents available to any person for whom the Company does not have a current address and it is not required to make them available to more than one joint holder of shares or debentures but any shareholder or holder of debentures to whom a copy of such documents or any substitute permitted by the Statutes has not been made available shall be entitled to receive a copy free of charge on application at the Office. For these purposes "made available" means being sent by post or by any other means permitted by legislation (including by electronic communications or by making them available on a website).

## **AUDITORS**

### **145 APPOINTMENT OF AUDITORS**

The appointment, duties and pay of the auditors are governed by the legislation.

## **NOTICES**

## **146 SERVING AND DELIVERING NOTICES AND OTHER DOCUMENTS**

**146.1** The Company can serve or deliver any notice or other document including a share certificate, on or to a shareholder:

**146.1.1** personally;

**146.1.2** by posting it in a letter (with postage paid) to the address recorded for him on the Register or, if he has no registered address within the United Kingdom, to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices;

**146.1.3** by delivering it to that address; or

**146.1.4** by facsimile or electronically or by reference to a particular website (except in the case of a share certificate).

However, these Articles do not affect any provision of the legislation requiring offers, notices or documents to be served in a particular way.

**146.2** Where the Articles or the rights of any shares allow notices to be given to shareholders by advertisement a notice in the United Kingdom must be published in at least two national newspapers.

**146.3** Subject to the legislation and Article 146.1 above, the Company may also send any notice or other document pursuant to these Articles to a member by publishing that notice or other document on a website where:

- (a) the Company and the member have agreed to him having access to the notice or document on a website (instead of it being sent to him);
- (b) the notice or document is one to which that agreement applies;
- (c) the member is notified, in a manner for the time being agreed between him and the Company for the purpose, of:
  - (i) the publication of the notice or document on a website;
  - (ii) the address of that website; and
  - (iii) the place on that website where the notice or document may be accessed, and how it may be accessed;
- (d) the notice or document is published on that website throughout the period beginning with the giving of that notification and ending with the conclusion of the meeting to which it relates, and provided that, if the notice or document is published on that website for a part, but not all of, the publication period, the notice or document shall be treated as being published throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid; and

- (e) a notice treated in accordance with this Article as sent to any person is to be treated as so sent at the time of the notification mentioned in Article 146.2(c).

#### **147 NOTICES TO JOINT HOLDERS**

When a notice or document is to be given to joint shareholders it shall be given to the joint shareholder who is listed first on the Register for the share or shares but ignoring any joint shareholder without a United Kingdom address. A notice given in this way is treated as given to all of the joint holders.

#### **148 NOTICES FOR SHAREHOLDERS WITH FOREIGN ADDRESSES**

This Article applies to a shareholder whose address on the Register is outside the United Kingdom. He can give the Company a United Kingdom address where notices or documents can be given to him. If he does, he is entitled to have notices or documents given to him at that address. Otherwise, he is not entitled to receive any notices, electronically or otherwise, from the Company.

#### **149 SHAREHOLDERS ATTENDING MEETINGS**

A shareholder who attends any shareholders' meeting is considered to have received notice of that meeting and, if required, of the purpose for which it was called. This applies to a shareholder who attends in person or by proxy.

#### **150 WHEN NOTICES ARE SERVED**

150.1 It is conclusive evidence that a notice or other document has been given if it is shown that the envelope containing the notice or document was properly addressed and it was put into the postal system with postage paid. In the case of notices delivered electronically or by facsimile it will be sufficient to show that the sender's equipment shows that successful transmission has taken place.

150.2 Letters or other documents sent by first class post are treated as given the day after posting.

150.3 A notice given electronically or by facsimile is treated as given on the day the transmission or facsimile was sent.

#### **151 SERVING NOTICES AND DOCUMENTS ON SHAREHOLDERS WHO HAVE DIED OR ARE BANKRUPT**

This Article applies where a shareholder has died or become bankrupt or is in liquidation or suffers from mental disorder but is still registered as a shareholder. It applies whether he is registered as a sole or joint shareholder. A person who is entitled to such shareholder's shares by operation of law and who proves this to the reasonable satisfaction of the directors can give a United Kingdom address for service of notices and documents. If this is done, notices and documents must be sent to that address. Otherwise, if any notice or other document is served on the shareholder named on the Register, or sent to him in accordance with the Articles, this will be valid despite his death, bankruptcy or liquidation or mental disorder. This applies even if the Company knew about these things. If notices or documents are served or

sent in accordance with this Article, there is no need to send them to, or serve them in any other way on any other people who may be involved.

## **152 NOTICES TO PREDECESSORS**

Anyone who becomes entitled to a share is bound by any notice in respect of that share which was properly given to a person from whom he derives his title before his name is entered in the Register. This does not apply to a direction notice under Article 71.3.

## **153 NOTICES TO DIRECTORS**

The Company can give any notice or other document to a director personally or by posting it in a letter (with postage paid) to the address given by him to the Company for this purpose or by delivering it to that address or by faxing it to the number given by him to the Company for this purpose.

## **154 NOTICES TO THE COMPANY**

Anyone can serve any summons, notice, order or other document on the Company or any officer of the Company by posting it in a letter (with postage paid) to the Company or any officer of the Company at the Registered Office or by delivering it to that address.

# **WINDING UP**

## **155 DIRECTORS' POWER TO PETITION**

The directors can present a petition to the Court in the name and on behalf of the Company for the Company to be wound up.

## **156 DISTRIBUTION OF ASSETS IN KIND**

156.1 If the Company is wound up (whether the liquidation is voluntary, under supervision of the Court, or by the Court) the liquidator can, with the authority of a Special Resolution passed by the shareholders, divide among the shareholders in kind the whole or any part of the assets of the Company. This applies whether the assets consist of property of one kind or different kinds. For this purpose, the liquidator can set such value as he considers fair upon any property and decide how such division is carried out as between shareholders or different groups of shareholders. The liquidator can also, with the authority of a Special Resolution passed by the shareholders, transfer any part of the assets to trustees upon such trusts for the benefit of shareholders as the liquidator decides. The liquidation of the Company can then be closed and the Company dissolved. However, no past or present shareholder can be compelled to accept any shares or other property under this Article which carries a liability.

156.2 The power of sale of a liquidator includes a power to sell wholly or in part for shares or debentures or other obligations of another company, whether it is already in existence or is about to be formed for the purpose of the sale.

# **DESTROYING DOCUMENTS**

## **157 DESTROYING DOCUMENTS**

- 157.1 Provided that it complies with the rules (as defined in the CREST Regulations) which apply to shares held in uncertificated form, the Company can destroy:
- 157.1.1 all transfer forms for shares, and documents sent to support a transfer, and any other documents which were the basis for making an entry on the Register, after six years from the date of registration.
  - 157.1.2 all dividend payment instructions and notifications of a change of address or name, after two years from the date these were registered.
  - 157.1.3 all cancelled share certificates, after one year from the date they were cancelled.
  - 157.1.4 all paid dividend warrants and cheques, after one year from the date of payment.
  - 157.1.5 all proxy forms, after one year from the poll at which they were used or after one month from the meeting to which they relate if there was no poll.
- 157.2 If the Company destroys a document in accordance with Article 157.1, it is conclusively treated as having been a valid and effective document in accordance with the Company's records relating to the document. Any action of the Company in dealing with the document in accordance with its terms before it was destroyed is conclusively treated as properly taken. This Article only applies to documents which are destroyed in good faith and if the Company is not on notice of any claim to which the document may be relevant.
- 157.3 This Article does not make the Company liable if it destroys a document earlier than referred to in Article 157.1 or if the Company would not be liable if this Article did not exist.
- 157.4 This Article applies whether a document is destroyed or disposed of in some other way.

## **INDEMNITY AND INSURANCE**

### **158 INDEMNITY**

- 158.1 So far as the legislation allows, a relevant director of the Company or any associated company may be indemnified by the Company out of its own assets against:-
- 158.1.1 any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
  - 158.1.2 any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act); or



158.1.3 any other liability incurred by that director as an officer of the Company or an associated company

and the Company may fund all expenditure incurred by such a relevant director in connection with contesting or defending himself against any such liability to the extent permitted by the legislation and may do anything to enable such a relevant Director to avoid incurring such expenditure, as provided in the legislation.

158.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Act or by any other provision of law.

## **159 INSURANCE**

159.1 Without limiting Articles 158 in any way, the directors can arrange for the Company to purchase and maintain insurance for or for the benefit of any relevant director in respect of any relevant loss.

159.2 In this Article a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with the director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or any associated company.

## **FURTHER PROVISIONS ON SHARES HELD IN UNCERTIFICATED FORM**

### **160 HOLDING SHARES IN UNCERTIFICATED FORM**

Subject to the Articles and legislation, the directors can decide that any class of shares can be held in uncertificated form and that title to such shares can be transferred by means of a relevant system, or that shares of any class must cease to be held and transferred in uncertificated form.

### **161 PREDOMINANCE OF CREST REGULATIONS**

The provisions of these Articles do not apply to shares of any class which are held in uncertificated form to the extent that the Articles are inconsistent with the holding of shares of that class in uncertificated form, the transfer of title to shares of that class by means of a relevant system or any provision of the CREST Regulations.