

**PUBLIC COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
AUTOLOGIC HOLDINGS PLC**

Adopted by Special Resolution passed on 17
June 2009

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THE COMPANIES ACTS 1985 AND 2006
PUBLIC COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
AUTOLOGIC HOLDINGS PLC
(Adopted by special resolution passed on 17 June 2009)

1. PRELIMINARY

- 1.1. The regulations in Table A in force at the date of the adoption of these amended Articles of the Company shall not apply to the Company.
- 1.2. In these Articles, if not inconsistent with the subject or context, the following expressions shall bear the following meanings.

"Act" means the Companies Act 2006 including any statutory modification or re-enactment thereof.

"address" includes a number or address used for the purposes of sending or receiving documents or information by electronic means.

"Articles" means these articles of association as originally framed or as from time to time altered and the expression **"Article"** shall be construed accordingly (including provisions treated as provisions of the company's articles by virtue of section 28 of the Act).

"associated company" has the meaning given in section 256 of the Act.

"Auditors" means the auditors for the time being of the Company.

"CA 1985" means the Companies Act 1985.

"Company" means Autologic Holdings plc (registered number 03252504) or such other name by which the Company may for the time being be registered in accordance with the Statutes.

"communication" and **"electronic communication"** shall have the meanings attributed to such words in the Electronic Communications Act 2000.

"Directors" means the directors for the time being of the Company.

"electronic copy", "electronic form" and "electronic means" shall have the meanings given to those expressions in section 1168 of the Act.

"Group" means the Company together with any subsidiary undertakings for the time being of the Company.

"hard copy" and "hard copy form" shall have the meanings given to those expressions in section 1168 of the Act.

"in writing" means written, printed, or lithographed, or visibly expressed by any substitute for writing or partly by one of such means and partly by another or others.

"Member" means a member of the Company (but, to the extent that these Articles would otherwise conflict with the Statutes, not including the Company itself in relation to shares held as treasury shares).

"month" means calendar month.

"Office" means the registered office for the time being of the Company.

"Ordinary Shares" means ordinary shares of 0.1 pence each in the capital of the Company.

"paid up" means paid up and/or credited as paid up.

"Register" means the register of members of the Company.

"Regulations" means the Uncertificated Securities Regulations 2001 as amended.

"Relevant System" has the meaning given in the Regulations.

"Seal" means the common seal of the Company.

"Statutes" means the Act, CA 1985 and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning companies and affecting the Company, and every statutory modification or re-enactment of the same for the time being in force.

"Stock Exchange" means London Stock Exchange plc.

"United Kingdom" means Great Britain and Northern Ireland.

"Unsound Mind" means, in relation to a person, one who is, or may be, suffering from mental disorder and either:

- (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
- (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;

"working day" has the meaning given in section 1173 of the Act.

1.3. For the purposes of these Articles:

- (a) references to **"writing"** include references to the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods (whether in hard copy form or electronic form) and **"written"** shall be construed accordingly; and
- (b) references to the **"giving"**, **"sending"** or **"supplying"** of any document or information to a person (which expressions shall be deemed to include such document or information being made available to, delivered to, deposited with or served upon a person) shall mean the giving, sending or supplying of any document or information by any means permitted by these Articles and **"giving"**, **"sending"** or **"supplying"** shall be construed accordingly.
- (c) References to the execution of a document (including where execution is implied, such as in the giving of a written consent) include references to its being executed under hand or under seal or by any other method, and, in relation to anything sent or supplied in electronic form, include references to its being executed by such means and incorporating such information as the Directors may from time to time stipulate for the purpose of establishing its authenticity and integrity.

- 1.4. Words importing the singular number shall include the plural, and vice versa.
- 1.5. Words importing the masculine gender shall include the feminine, and persons shall include corporations.
- 1.6. Save as provided in these Articles any words or expressions defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.
- 1.7. The expressions "recognised clearing house" and "recognised investment exchange" shall mean any clearing house or investment exchange (as the case may be) granted recognition under the Financial Services and Markets Act 2000.
- 1.8. The expression "Secretary" shall (subject to the provisions of the Statutes) include an assistant or deputy secretary, and any person appointed by the Directors to perform any of the duties of the Secretary temporarily or in any particular case.
- 1.9. A special resolution shall be effective for any purpose for which an ordinary resolution is required under any provision of these Articles.
- 1.10. The headings are inserted for convenience and shall not affect the construction of these Articles.

2. SHARE CAPITAL

- 2.1. The authorised share capital of the Company at the date of adoption of these Articles is £100,000 divided into 100,000,000 Ordinary Shares of 0.1 pence each.
- 2.2. Subject to the provisions of the Statutes and without prejudice to any rights for the time being conferred on the holders of any shares or class of shares, any share in the Company may be issued with such preferred, deferred or other rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine.
- 2.3. Subject to the provisions of the Statutes, any shares may be issued on terms that they are, or at the option of the Company are liable to be, redeemed on such terms and in such manner as may be provided in these Articles. Any such redemption may be on such terms and in such manner as the Company may by ordinary resolution determine or, in the absence of any such determination or in so far as such ordinary resolution does not make specific provision, as the Directors may determine.

- 2.4. Subject to the provisions of the Statutes, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, either (a) in such manner (if any) as may be provided by such rights or (b) in the absence of any such provision, with the consent in writing of the holders of three-fourths of the nominal value of the issued shares of the class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class but not otherwise. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings of the same and the provisions of Part 13 of the Act shall, with any necessary modifications, apply provided that no Member, not being a Director, shall be entitled to notice of or to attend at any such separate meeting unless he is a holder of shares of the class the rights attached to which are intended to be varied or abrogated by the resolution, and that no vote shall be given except in respect of a share of that class, and that the necessary quorum shall be two or more persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that at any adjourned meeting of such holders if there is no quorum as above within 15 minutes one person holding shares of the class in question present in person or by proxy shall be a quorum), and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively, and that any holder of shares of the class in question present in person or by proxy may demand a poll. For the avoidance of doubt, the Company shall not for these purposes be counted as holding any shares of that class to the extent that it holds the shares as treasury shares.
- 2.5. Subject to the provisions of the Statutes relating to authority to allot shares, pre-emption rights and otherwise and to any resolution of the Company in general meeting passed pursuant thereto the unissued shares in the capital of the Company shall be under the control of the Directors who may allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of any relevant securities (as defined in section 80(2) of the CA 1985) or shares (pursuant to section 551 of the Act), (and once in force the provisions of section 551 of the Act shall be in substitution for the provisions of section 80 of the CA 1985) to such persons at such times and generally on such terms and conditions as they think fit, but so that no shares shall be issued at a discount except in accordance with the provisions of the Statutes.
- 2.6. In addition to all other powers of paying commissions, the Company may exercise the powers conferred by the Statutes of paying commissions to the persons subscribing or procuring subscriptions for shares of the Company, or agreeing so to do, whether absolutely or conditionally. Subject to the provisions of the Statutes any such commissions may be satisfied by the payment of cash or (with the sanction of an ordinary resolution) by the allotment of fully or partly paid shares of the Company, or partly in the one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.
- 2.7. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and (except only as otherwise provided by these Articles, or as required by law or as directed under an order of a court of competent jurisdiction) the Company shall not be bound by or recognise (even when having notice of it) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

3. CERTIFICATES

- 3.1. Every person (other than a Stock Exchange nominee in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) whose name is entered as a Member in the Register as a holder of shares in the Company shall be entitled without payment to one certificate for all the shares of each class for the time being held by him, or upon payment of such reasonable out of pocket expenses as the Directors may from time to time determine for every certificate after the first, to several certificates, each for one or more of his shares. Every certificate shall be issued within two months after allotment or the lodgement with the Company of the transfer of the shares, not being a transfer which the Company is for any reason entitled to refuse to register and does not register, unless the conditions of issue of such shares otherwise provide and shall be under the Seal and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up in respect of the same. The Company shall not be bound to register more than four persons as the joint holders of any share or shares (except in the case of executors or trustees of a deceased Member) and in the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all. Where a Member transfers part of his holding of shares he shall be entitled to a certificate for the balance of his holding without charge.
- 3.2. Share certificates and, subject to the provisions of any instrument constituting or securing the same, certificates issued under the Seal in respect of any debentures, need not be signed or counter-signed, or the signatures may be affixed to the same by such mechanical or other means as may be determined by the Directors.
- 3.3. If a share certificate is lost, destroyed, defaced or worn out, it must be renewed without charge (other than exceptional out of pocket expenses), and (in case of loss or destruction) on such terms (if any) as to evidence and indemnity as the Directors think fit, and (in case of defacement or wearing out) on delivery up of the old certificate. The Company shall be entitled to treat an application for a replacement certificate made by one of joint holders as being made on behalf of all the holders concerned.

4. LIEN

- 4.1. The Company shall have a first and paramount lien on every share (not being a full paid share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share. The Company's lien (if any) on a share shall extend to all dividends or other moneys payable on or in respect of such share. The Directors may resolve that any share shall for some specified period be exempt from the provisions of this Article. The registration of a transfer of shares shall, unless otherwise agreed between the Directors and the transferee, operate as a waiver of any lien on such shares.
- 4.2. The Company may sell, in such manner as the Directors think fit, any share on which the Company has a lien, but no sale shall be made unless some moneys in respect of which the lien exists are presently payable and fourteen days have expired after a notice in writing, stating and demanding payment of the moneys presently payable and giving notice of intention to sell in default, has been served on the holder for the time being of the share or the persons entitled by reason of his death or bankruptcy to the share.

- 4.3. For giving effect to any such sale the Directors may authorise any person to execute or otherwise effect a transfer of the shares sold to the purchaser of the same. In the case of shares held in uncertified form, the Directors may authorise any person, subject to the system's rules, to send a transfer instruction, and/or to take other steps as may be necessary, to give effect to such a sale in accordance with the Regulation.
- 4.4. Such purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale and the remedy of any person aggrieved shall be in damages only and against the Company exclusively.
- 4.5. The net proceeds of any such sale shall be applied in or towards payment or satisfaction of the amount in respect of which the lien exists as if presently payable and any residue shall (subject to a like lien in respect of sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares immediately prior to the date of the sale.

5. CALLS ON SHARES

- 5.1. The Directors may, subject to the provisions of these Articles and to any conditions of allotment, from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and each Member shall (subject to being given at least thirty days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares.
- 5.2. A call may be made payable by instalments. A call may be postponed and a call may be wholly or in part revoked as the Directors may determine. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. A person upon whom a call is made shall remain liable notwithstanding the subsequent transfer of the share in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and any one holder may give effective receipts for any return of capital payable in respect of any such share.
- 5.3. If by the terms of any prospectus or by the conditions of allotment any amount is payable in respect of any shares by instalments, every such instalment shall be payable as if it were a call duly made by the Directors of which due notice had been given.
- 5.4. If a sum called in respect of a share is not paid on or before the day appointed for payment of the same, the person from whom the sum is due shall pay interest on the sum from the relevant day appointed for payment to the time of actual payment at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 25% per annum, as the Directors may agree to accept, but the Directors shall be at liberty to waive payment of such interest wholly or in part.
- 5.5. Any sum which by or pursuant to the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by or pursuant to the terms of issue, the same becomes payable, and in the case of non-payment all the relevant provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

- 5.6. The Directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.
- 5.7. The Directors may receive from any Member willing to advance the same, all or any part of the money unpaid upon the shares held by him beyond the sums actually called up on such shares as a payment in advance of calls, and such payment in advance of calls shall extinguish, to the extent of such payment, the liability upon the shares in respect of which it is advanced and the Company may pay interest upon the money so received, or so much of the same as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, at such rate as the Member paying such sum and the Directors agree, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 15% per annum. No payment in advance of calls shall entitle the shareholder to any part of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently due.

6. FORFEITURE OF SHARES

- 6.1. If a Member fails to pay any call or instalment of a call before or on the day appointed for payment thereof, the Directors may at any time thereafter, during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and all expenses incurred by the Company by reason of such non-payment.
- 6.2. The notice shall name a further day (not earlier than fourteen days from the date of service of such notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment on or before the day and at the place appointed, the shares on which the call was made or instalment payable will be liable to be forfeited.
- 6.3. If the requirements of any such notice as is referred to in the two preceding Articles are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls, interest, expenses or instalments due in respect of the same has been made, be forfeited by a resolution of the Directors to that effect, and such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not actually paid before the forfeiture. Forfeiture shall be deemed to occur at the time of the passing of the said resolution of the Directors. The Directors may accept the surrender of any share liable to be forfeited under these Articles and in such case references in these Articles to forfeiture shall include surrender.
- 6.4. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share and an entry of the forfeiture or surrender, with the date of such forfeiture, shall be made in the Register, but no forfeiture or surrender shall be invalidated by any failure to give such notice or make such entry.

- 6.5. Subject to the provisions of the Statutes, a forfeited share shall thereupon become the property of the Company and may within three years of forfeiture be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder of or entitled to the same, or to any other person, upon such terms and in such manner as the Directors think fit, and at any time before a sale, re-allotment, or disposal the forfeiture may be cancelled on such terms as the Directors think fit. In the case of shares held in certified form the Directors may authorise some person to execute an instrument of transfer of a forfeited share to any other person in accordance with the terms of this Article. In the case of shares held in uncertified form, the Directors may authorise and instruct some person (which may include the holder prior to the forfeiture of the shares concerned), subject to the system's rules, to send a transfer instruction, and/or take other such steps as may be necessary, to give effect to such a sale or other disposal in accordance with the Regulations.
- (a) A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares and shall surrender to the Company for cancellation the certificate or certificates for the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares and interest in relation to the same in accordance with Article 5.4, and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares, together with interest.
 - (b) The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and claims against the Company in respect of the share and all other rights and liabilities incidental to the share as between the Member whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Statutes given or imposed in the case of past Members.

- 6.6. The Directors may, at any time before any share so forfeited or surrendered shall have been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender upon such terms as they think fit.
- 6.7. A statutory declaration that the declarant is a Director or the Secretary of the Company, and that a share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts so stated as against all persons claiming to be entitled to the share, and such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal of the same, together with the certificate for the share delivered to a purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be so required) constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in the proceedings relating to the forfeiture, sale, re- allotment or disposal of the share and the remedy of any person aggrieved by the sale or forfeiture shall be in damages only and against the Company exclusively.

7. TRANSFER OF SHARES

- 7.1. All transfers of shares shall be effected by transfer in writing in the usual common form or in any other form approved by the Directors, and need not be under seal.
- 7.2. The instrument of transfer shall be signed by or on behalf of the transferor and, in the case of a partly paid share, by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of the same.
- 7.3. The Directors may, in their absolute discretion, refuse to register any instrument of transfer of a share which is not fully paid up but, in the case of shares which have been admitted to the Official List of the UK Listing Authority, not so as to prevent dealings in those shares from taking place on an open and proper basis.
- 7.4. The Directors may refuse to register any instrument of transfer, unless it is:
- (a) In the case of shares held in certificated form, lodged, properly stamped (for payment of stamp duty) where this is required, is deposited at the Office or such other place as the Directors may appoint, and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and the due execution by him of the transfer or, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do; and
 - (b) in respect of only one class of share; and
 - (c) in favour of not more than four transferees.

However, nothing in these Articles shall oblige or require the Directors to register any instrument of transfer:

- (i) in favour of a minor, a bankrupt or a person of Unsound Mind;
- (ii) in the case of shares held in uncertified form, in any circumstances not permitted by the Regulations and/or the system's rules; or

- (iii) where the Directors are obliged or entitled to refuse to do so as a result of any failure to comply with a notice under section 793 of the Companies Act 2006.

In the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange the lodgment of share certificates will only be necessary if and to the extent that certificates must by law have been issued in respect of the shares in question, provided that whilst any such shares are admitted to the Official List of the UK Listing Authority, such discretion may not be exercised in a way which would prevent dealings in the shares of the relevant class or classes from taking place on an open or proper basis.

- 7.5. If the Directors refuse to register a transfer they shall, as soon as practicable and in any event, within two months after the date on which the transfer was lodged with the Company, send to the person lodging the transfer, notice of the refusal (together with reasons for the same) and (except in cases where the Directors have any grounds for suspecting fraud) return to him the instrument of transfer.

- 7.6. The registration of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the Directors may from time to time determine.
- 7.7. The Company shall not be entitled to charge any fee in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, power of attorney, stop notice or other document relating to or affecting the title to any shares.
- 7.8. All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.
- 7.9. The Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder recognise a renunciation of the same by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.
- 7.10. Subject to the Statutes, the Company may keep an overseas, local or other register in any place, and the Directors may make and vary such regulations as it may think fit concerning the keeping of that register.

8. TRANSMISSION OF SHARES

- 8.1. In the case of the death of a Member the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.
- 8.2. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member or in consequence of a Member being of Unsound Mind or of any other event giving rise to a transmission of such entitlement by operation of law may, upon such evidence as to his title being produced as may from time to time be required by the Directors, and subject as provided in these Articles elect either to be registered himself as the holder of the share or to have some person nominated by him registered as the holder of the same.
- 8.3. If the person becoming so entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by signing a transfer of the share in favour of that person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as if the event upon which transmission took place had not occurred and the notice or transfer were a transfer signed by such Member. The Directors may at any time give notice requiring any such person to make an election in accordance with this Article and if such notice is not complied with within sixty days the Directors may thereafter withhold payment of all dividends and other moneys payable in respect of such share until compliance with the same.

- 8.4. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member or in consequence of a Member being of Unsound Mind or of any other event giving rise to a transmission of such entitlement by operation of law shall be entitled to receive and may give a discharge for all dividends and other moneys payable arising or accruing on or in respect of the share, but he shall not be entitled in respect of that share to receive notices of or to attend or vote at meetings of the Company, or, except as provided in this Article, to any of the rights of a Member until he shall have become a Member in respect of the share.

9. DISCLOSURE OF INTERESTS

9.1.

- (a) Provisions which are the same as section 793 of the Act shall be deemed to be incorporated into these Articles so as to apply to the Company and its shares and accordingly to apply as between the Company and each Member and shall be interpreted in accordance with provisions applicable to such sections but such incorporation shall be without prejudice to the operation of such sections in their statutory form in accordance with their respective terms.
- (b) Notwithstanding the remedies available to the Company under the provisions of the Statutes, if the registered holder or any other person appearing to be interested in any shares of the Company (the "**defaulter**") fails, within 28 days after the service of any notice issued by the Company pursuant to the powers contained in Article a by reference to section 793 of the Act, to comply with any such notice or, in purported compliance, in the opinion of the Directors makes a statement which he knows to be false or recklessly makes any statement which is false, the Directors may in their absolute discretion serve or cause to be served upon the registered holder or holders of the relevant shares a notice (in this Article called a "**28 day notice**") stating, or stating to the effect that, in respect of the relevant shares (meaning the shares in respect of which the said notice shall have been issued by the Company) his right to attend and/or vote at any general meeting of the Company or at any separate meeting of the holders of any class of shares shall have been suspended and such 28 day notice shall take effect forthwith upon its service.
- (c) Without prejudice to Article 9.1b if the defaulter fails within 14 days after the service of any notice issued by the Company pursuant to the powers contained in Article 9.1a by reference to section 793 of the Act, to comply with any such notice or, in purported compliance, in the opinion of the Directors makes a statement which he knows to be false or recklessly makes any statement which is false and the shares of the Company in respect of which the said notice shall have been given shall represent not less than 0.25 per cent of the total issued shares of the same class then the Directors may in their absolute discretion serve or cause to be served upon the registered holder or holders of the relevant shares a notice (in this Article called a "**14 day notice**") which states that with effect from its service it shall have the effect of suspending all or any of the following rights in respect of the relevant shares, as stated, in the absolute discretion of the Directors, in the 14 day notice:
- (i) to attend and/or vote at any general meeting of the Company or at any separate meeting of the holders of any class of shares;
 - (ii) to receive payment of any sum otherwise due from the Company or, to receive any transfer of property of whatever nature from the Company or to receive the issue or allotment of any shares or other securities by the Company, (in each case) in respect of the relevant shares, whether as dividend or in respect of capital or otherwise;

- (iii) to dispose of, or deal with, including without limitation by way of sale, transfer or renunciation, all or any of the relevant shares, or any interest therein including any shares or other securities allotted (whether conditionally, provisionally or otherwise) provided that such restriction shall not prevent the registered holder of the relevant shares from entering into a sale and transfer of the relevant shares or any of them which would bring into operation the provisions of Article 9.2.
- 9.2. In the event of a transfer pursuant to a sale made on commercial terms of all or any of the relevant shares, any restrictions imposed by virtue of Article 9.1 shall forthwith cease to have effect provided that this Article 9.2 shall only apply in respect of a sale of shares to any person, not being a person who has an interest in such shares or a person who is connected with any person who has an interest in such shares. For this purpose, section 820 of the Act shall apply for the determination of whether a person has an interest in shares and sections 822 and 823 of the Act shall apply for the determination of whether a person is connected with any such other person, and the Directors determination thereof shall be conclusive.
- 9.3. For the purpose of this Article 9 and without prejudice to any other type of interest, a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification under the said section 793 which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant notification made under Article a the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.
- 9.4. The period during which the rights referred to in Article b or 9.1(c) shall be suspended shall commence on service of the 14 day notice or (as the case may be) the 28 day notice and shall continue, subject (if applicable) to Article 9.2, until the expiry of 7 clear days after the defaulter properly fulfils the obligation or complies with the notice to which he is subject or if earlier, when the Directors shall in their absolute discretion determine.
- 9.5. The Directors shall cause the register kept pursuant to section 808 of the Act to have noted against the name of the defaulter the fact that the applicable rights in respect of the relevant shares have been suspended for so long as such suspension shall continue and shall cause such note to be deleted upon termination of such suspension in accordance with this Article 9.

- 9.6. The suspension of the right to payment by the Company of any sum otherwise due, or of the right to a transfer by the Company of any property or of the right to an issue or allotment by the Company of shares or other securities, (in each case) by reference to Article ii, shall not constitute the Company a trustee of any such sum, property, shares or other securities.

10. STOCK

- 10.1. The Company may by ordinary resolution convert any paid up shares into stock, and re-convert any stock into paid up shares of any denomination.
- 10.2. The holders of stock may transfer all or part of their holding of such stock in the same manner, and subject to the same regulations, as would have applied to the shares from which the stock arose if they had not been converted, or as near thereto as circumstances admit, but the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable, but so that such minimum shall not exceed the nominal amount of each of the shares from which the stock arose.
- 10.3. The holders of stock shall, according to the amount and class of the stock held by them, have the same rights in all respects as if they held the shares from which the stock arose provided that no such rights (except participation in dividends and profits of the Company and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such rights.
- 10.4. All the provisions of these Articles applicable to paid up shares shall apply to stock, and in all such provisions the words "share" and "Member" shall include "stock" and "Stockholder" respectively. No such conversion shall affect or prejudice any preference or other special right.

11. INCREASE OF CAPITAL

- 11.1. The Company may from time to time by ordinary resolution increase its capital by such sum, to be divided into shares of such amounts, as the resolution may prescribe.
- 11.2. All new shares shall be subject to the provisions of these Articles with reference to payment of calls, lien, forfeiture, transfer, transmission and otherwise, and, unless otherwise provided by these Articles or by the resolution creating the new shares or by the conditions of issue, the new shares shall be unclassified shares.

12. ALTERATION OF CAPITAL

- 12.1. The Company may, subject to the provisions of the Statutes, from time to time by ordinary resolution:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) sub-divide its shares, or any of them, into shares of a smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions of the Statutes), and so that
 - (i) in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

- (ii) the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares;
- (c) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its share capital by the nominal value of the shares so cancelled;
- (d) purchase all or any of its its own shares (including any redeemable shares) in accordance with the provisions of the Statutes;

and may by special resolution:

- (i) reduce its share capital and any capital redemption reserve fund and any share premium account in any manner authorised by the Statutes; and
- (ii) diminish the amount of its share capital by the amount of the shares so cancelled.

- 12.2. Whenever as a result of any consolidation of shares any Members would become entitled to fractions of a share, the Directors may for the purpose of eliminating such fractions sell the shares representing the fractions for the best price reasonably obtainable and distribute the proceeds of sale in due proportion among the Members who would have been entitled to the fractions of shares, and for the purpose of any such sale the Directors may authorise some person to transfer the shares representing the fractions to the purchaser of the same, whose name shall thereupon be entered in the Register as the holder of the shares, and who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

13. GENERAL MEETINGS

- 13.1. Subject to the provisions of the Statutes, the annual general meeting shall be held at such time and place as the Directors may determine.
- 13.2. All general meetings other than annual general meetings shall be called general meetings. The Directors may call a general meeting whenever they think fit.

14. NOTICE OF GENERAL MEETINGS

- 14.1. Subject to the provisions of the Statutes and Article 34, an annual general meeting shall be called by twenty one days' notice at the least, and all other general meetings shall be called by fourteen days' notice at the least. The notice shall be exclusive of the day on which it is served, or deemed to be served, and of the day for which it is given. Every notice shall be in writing and shall specify the place, the date and the time of meeting, and (in the case of special business) the general nature of such business, and in the case of an annual general meeting shall specify the meeting as such. The notice shall specify, with reasonable prominence, that a Member entitled to attend and vote is entitled to appoint a proxy to exercise all or any of his rights to attend, to speak and vote at the meeting and may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held. A proxy need not be a Member. The notice shall be given to all the Members, (other than those who under the provisions of these Articles or under the rights attached to the shares held by them are not entitled to receive it), the Directors and the Auditors provided that the Company may determine that only those persons entered on the Register at the close of business on a day determined by the Company, such day being no more than 21 days before the day that notice of the meeting is sent, shall be entitled to receive such a notice and provided also that a general meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:
- (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
 - (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.
- 14.2. Subject to the Act the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, or the failure to provide information in relation to the appointment of proxies to, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

- 14.3. For the purposes of determining which persons are entitled to attend or vote at a meeting and how many votes such person may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting. The Company may also specify in the notice of meeting that in calculating the period of 48 hours referred to in this Article, no account shall be taken of any part of a day that is not a working day.
- 14.4. If for any reason the Directors consider it impractical or undesirable to hold a meeting on the day, at the time or in the place specified in the notice calling the meeting it can change the date, time and place of the meeting (or whichever it requires), and may do so more than once in relation to the same meeting. The Directors, will insofar as it is practicable, announce by advertisement in at least one newspaper with a national circulation the date, time and place of the meeting as changed, but it shall not be necessary to restate the business of the meeting in that announcement.

15. PROCEEDINGS AT GENERAL MEETINGS

- 15.1. All business shall be deemed special that is transacted at a general meeting. All business that is transacted at an annual general meeting shall also be deemed special, with the exception of the declaration of dividends, the consideration of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the appointment of Directors in the place of those retiring by rotation or otherwise, the fixing of the remuneration of such Directors if required, the reappointment of the retiring Auditors (other than retiring Auditors who have been appointed by the Directors to fill a casual vacancy), and the fixing of the remuneration of the Auditors.
- 15.2. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. The appointment of a chairman shall not be treated as part of the business of the meeting. Two persons entitled to vote at the meeting each being a Member or a proxy for a Member or a representative of a corporation which is a Member (duly appointed as such in accordance with the Statutes) shall be a quorum for all purposes.

- 15.3. If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) from the time appointed for the commencement of the meeting a quorum is not present, the meeting, if convened on the requisition of, or by, Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the meeting shall be dissolved.
- 15.4. The chairman (if any) of the board of Directors, or in his absence some other Director nominated by the chairman in writing, shall preside as chairman at every general meeting of the Company, but if at any meeting neither the chairman nor such other Director is present within fifteen minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose some Director present to be chairman or, if no Director is present, or if all the Directors present decline to take the chair, the Members present in person or by proxy shall choose some Member or proxy present to be chairman.
- 15.5.
- (a) The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, seven clear days' notice at the least, specifying the place, the day and the time of the adjourned meeting shall be given to the Members, the Directors and the Auditors, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as provided in this Article, it shall not be necessary to give any notice of an adjournment.
 - (b) The chairman may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) to another time or place where it appears to him that (a) the Members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.
- 15.6. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless on or before the declaration of the result of the show of hands a poll is demanded:
- (a) by the chairman; or
 - (b) by not less than five Members present in person or by proxy having the right to vote on the resolution; or
 - (c) by a Member or Members present in person or by proxy representing not less than one-tenth of the total voting rights of all the Members having the right to vote on the resolution; or
 - (d) by a Member or Members present in person or by proxy holding shares of the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

- (e) A demand for a poll by a person as proxy for a Member counts:
 - (i) for the purposes of Article 15.6b above as a demand by a Member;
 - (ii) for the purposes of Article 15.6c above as a demand by a Member representing the voting rights that the proxy is authorised to exercise;
 - (iii) for the purposes of Article 15.6d above, as a demand by a Member holding the shares to which those rights are attached.
- 15.7. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company shall be conclusive evidence that such is the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 15.8. A valid appointment of a proxy to vote at a meeting shall be deemed also to confer authority:
 - (a) to vote on a show of hands;
 - (b) to demand or join in demanding a poll (and for the purposes of Article 15.6 a demand by a person as proxy for a Member shall be the same as a demand by the Member); and
 - (c) to vote on a poll,on the election of a chairman and on a motion to adjourn a meeting.
- 15.9. If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment of the same, and it is in the opinion of the chairman of the meeting of sufficient magnitude to vitiate the result of the voting.
- 15.10. If a poll is duly demanded, it shall be taken in such manner as the chairman may direct (including the use of ballot or voting papers or tickets), and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman may, in the event of a poll, appoint scrutineers (who need not be Members), and may fix some place and time for the purpose of declaring the result of the poll.
- 15.11. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken forthwith or at such time and place as the chairman directs not being more than thirty days from the date of the meeting or the adjourned meeting at which the poll was demanded.
- 15.12. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a further or casting vote.
- 15.13. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- 15.14. A demand for a poll may be withdrawn before the poll is taken or before the close of the meeting at which it is demanded (whichever is the earlier) and no notice need be given

of a poll not taken immediately provided that the time and place at which it is to be taken was announced at the meeting at which it was demanded.

- 16.15. The chairman may invite any person to attend and speak at any general meeting of the Company where he considers that this will assist in the deliberations of the meeting.

16. VOTES OF MEMBERS

- 16.1. Subject to any special rights or restrictions as to voting attached to any share by or in accordance with these Articles, on a show of hands every Member who is present in person or by proxy shall have one vote. On a poll every Member who is present in person or by proxy shall have one vote for every share of which he is the holder.
- 16.2. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the share.
- 16.3. A Member of Unsound Mind in respect of whom an order has been made by any competent court may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person appointed by such court (who may vote by proxy) provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at or received by the Office not less than 48 hours before the time for holding the meeting or adjourned meeting at which such person claims to vote. The Directors may specify in any case that in calculating the period of 48 hours referred to in this Article, no account shall be taken of any part of a day that is not a working day.
- 16.4. No Member shall, unless the Directors otherwise determine, be entitled in respect of any shares held by him to vote at any general meeting either in person or by proxy, or to exercise any rights as a Member, unless all calls or other sums presently payable by him in respect of those shares have been paid.
- 16.5. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
- 16.6. On a poll, a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
- 16.7. Any person (whether a Member or not) may be appointed to act as a proxy. A Member may appoint more than one proxy to attend on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the Member. If a Member appoints more than one proxy, he shall specify the number of shares in respect of which each proxy is entitled to exercise the related votes and ensure that no proxy is appointed to exercise the votes which any other proxy has been appointed by that Member to exercise. The appointment of a proxy shall not preclude a Member from attending in person at the meeting or any adjournment of the same.
- 16.8.
- (a) The appointment of a proxy shall be made in writing and shall be in any usual or common form, or such other form as may be approved by the Board.

- (b) The appointment of proxy may be in hard copy form or, if the Company agrees, in electronic form.
- (c) The appointment of proxy form (whether in hard copy form or in electronic form) shall be executed in such manner as may be approved on behalf of the Company from time to time provided always that the appointment of proxy shall be executed by the appointer, or by his agent duly authorised in writing, or, if the appointer is a corporation, shall be either under its common seal or under the hand of an officer or agent so authorised. The Board may require evidence of the authority of any such officer or agent.
- (d) The Board may, at the expense of the Company, send by post, electronic means or otherwise, instruments or forms of proxy to the Members (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares of the Company. If for the purpose of any meeting invitations to appoint as proxy a person, or one of a number of persons, specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the Members entitled to be sent a notice of the meeting and to vote by proxy at the meeting.

16.9. The appointment of a proxy shall:

- (a) be deemed to entitle the proxy to exercise all or any of the appointing Members' rights to attend and to speak and vote at a meeting of the Company;
- (b) be valid for any adjournment of the meeting as well as for the meeting to which it relates; and
- (c) where it is stated to apply to more than one meeting, be valid for all such meetings as well as for any adjournment of such meetings.

16.10. The appointment of a proxy and the authority (if any) under which it is made, or a certified copy of such authority, shall:

- (a) if in hard copy form be deposited at the Office, or at such other place in the United Kingdom as is specified for that purpose in the notice calling the meeting, or in any instrument of proxy sent out by the Company in relation to the meeting, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid; and
- (b) if in electronic form, be received at any address to which an appointment of proxy may be sent by electronic means as specified for the purpose:
 - (i) in the notice convening the meeting; or
 - (ii) in any form of proxy sent out by the Company in relation to the meeting; or
 - (iii) in any invitation to appoint a proxy issued by the Company in relation to the meeting,

not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote.

The Directors may specify, in any case, that in calculating the periods referred to in this Article, no account shall be taken of any part of a day that is not a working day.

No appointment of a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.

- 16.11. A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the death or mental disorder of the appointer or previous termination of the authority of the person voting or demanding a poll, or the transfer of the share in respect of which the appointment of the proxy or representative is made, unless notice in writing of the death, mental disorder, termination or transfer was received not later than the latest time at which an appointment of proxy should have been delivered in order to be valid for use at the relevant meeting or adjourned meeting or poll. Such notice of revocation shall be made by means of a document in either hard copy form or in electronic form (delivered at such address as required by Article 16.10(a) or Article 16.10(b) as appropriate) irrespective of whether the appointment of proxy to which the notice of revocation relates was made in hard copy form or electronic form.
- 16.12. The Directors may at the expense of the Company send, by post, electronic means or otherwise, to the Members instruments or forms of proxy (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares of the Company either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person, or one of a number of persons, specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the Members entitled to be sent a notice of the meeting and to vote by proxy at any such meeting. The accidental omission to send a form of appointment of a proxy to, or the non-receipt of such a form by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

17. CORPORATIONS ACTING BY REPRESENTATIVES

- 17.1. Any corporation which is a Member of the Company may, under its seal or under the hand of a duly authorised officer, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company personally present at such meeting. The Secretary, any Director or the Board may (but is not bound to do so) require further evidence of the authority of the representative to act.

18. DIRECTORS

- 18.1. Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors shall be not less than two nor more than fifteen.
- 18.2. A Director shall not be required to hold any share qualification, but shall nevertheless be entitled to receive notice of and to attend and speak at any general meeting or at any separate meeting of the holders of any class of shares of the Company.
- 18.3. Subject to Article 18.7 below, each of the Directors other than any executive Directors shall be entitled to be paid out of the funds of the Company by way of remuneration for his services as a Director such sum as the Directors may determine. Such remuneration shall not exceed £150,000 per annum in aggregate or such higher amount as may from time to time be determined by ordinary resolution of the Company and shall (unless such

resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of fees related to the period during which he has held office. The remuneration of the executive Directors in respect of their services as executives shall be as provided in Article 20.1. The Company by ordinary resolution may also vote extra remuneration to the Directors, which shall (unless otherwise determined by the resolution by which it is voted) be divided between the Directors as they may agree, or, failing agreement, equally. The Directors' remuneration shall be deemed to accrue from day to day. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or in attending and returning from meetings of the Directors or of committees authorised by the Directors or general meetings.

- 18.4. Any Director who serves on any committee or who devotes special attention to the business of the Company (including for this purpose the office of Chairman or Deputy Chairman whether or not such office is held in an executive capacity), or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission, participation in profits or otherwise as the Directors or a committee authorised by the Directors may determine.
- 18.5. Any Director (other than an alternate director acting in that capacity) may at any time appoint any other Director or any person approved by a majority of the Directors to be an alternate director of the Company, and may at any time remove any alternate director so appointed by him from office and, subject to such approval by the Directors, appoint another person in his place. An alternate director so appointed shall not be required to hold any share qualification and shall not be counted in reckoning the maximum number of Directors allowed by these Articles. Subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him an alternate director shall be entitled to receive notices of all meetings of the Directors, and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in the absence of such appointor. An alternate director shall ipso facto cease to be an alternate director on the happening of an event which if he were a Director would cause him to vacate such office or if his appointor ceases for any reason to be a Director provided that if any Director retires whether by rotation or otherwise but is reappointed, or is deemed to have been re-appointed by the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his reappointment as if he had not so retired. All appointments and removals of alternate directors shall be effected by notice, such notice to be in hard copy form or electronic form sent to such address (if any) for the time being specified by or on behalf of the Company for that purpose.
- 18.6. A Director or any other person may act as an alternate director to represent more than one Director and an alternate director shall be entitled at meetings of the Directors or any committee authorised by the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.
- 18.7. An alternate director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. The remuneration of any such alternate director shall be payable out of the remuneration payable to the Director appointing him,

and shall consist of such part (if any) of the last mentioned remuneration as shall be agreed between the alternate director and the Director appointing him.

18.8. A Director, including an alternate director, may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director, and may act in a professional capacity for the Company, on such terms as to tenure of office, remuneration and otherwise as the Directors may determine.

18.9.

(a) 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); and
- (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 paragraph ai of this Article 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 the authorisation is only effective if any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested Director, and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

(b) If a matter, office, employment or position has been authorised by the Directors in accordance with this Article then (subject to such terms and conditions, if any, as the Directors may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation or the permissions set out below):

- (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 shall not be required to use such information as referred to in paragraph bi of this Article in the performance of his duties as a director of the Company;
- (iii) the Director may absent himself from discussions, whether in meetings of the Directors or otherwise, and exclude himself from information, which will or may relate to that matter, or that office, employment or position; and
- (iv) a Director shall not, by reason of his office as a director of the Company, be accountable to the Company for any benefit which he derives from any such matter, or from any such office, employment or position.

18.10. Subject to the Statutes and subject to disclosure of his interests in accordance with Article 18.11 a Director, notwithstanding his office:

- (a) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested;
- (b) may hold any other office or place of profit under the Company (except Auditor or auditor of a subsidiary of the Company) in conjunction with the office of Director for such period (subject to the Statutes) and upon such terms as the Directors may decide and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the Directors may decide, either in addition to or in lieu of any remuneration under any other provision of these Articles;
- (c) may be or become a member or director of, or hold any other office or place of profit under, or otherwise be interested in, any other company in which the Company may be interested;
- (d) may act by himself or his firm in a professional capacity for the Company (except as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (e) shall not be liable to account to the Company for any profit, remuneration or other benefit derived from any such office, employment, contract, arrangement, transaction or proposal
- (f) and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

18.11. For the purposes of this Article 18.11:

- (i) "notice in writing" means notice given in accordance with the requirements of section 184 of the Act; and
 - (ii) "general notice" means notice given in accordance with the requirements of section 185 of the Act.
- (b) A Director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other Directors in accordance with the terms of section 177 of the Act.
 - (c) A Director who is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company, shall declare the nature and extent of his interest to the other Directors in accordance with the terms of section 182 of the Act.
 - (d) Any declaration of interest required by this Article shall be made at a meeting of the directors or by notice in writing or by general notice.

19. APPOINTMENT, ROTATION, REMOVAL AND DISQUALIFICATION OF DIRECTORS

- 19.1. Subject to the provision of these Articles one-third of the Directors shall retire from office at the annual general meeting every year, provided that each Director retires from office at least once every three years. If the number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office. A Director so retiring shall retain office until the close of that meeting.
- 19.2. Subject to the provisions of the Statutes and of these Articles, the Directors to retire in every year shall be those who have been longest in office since their last appointment or reappointment but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Subject to the preceding provisions of this Article, a retiring Director shall be eligible for reappointment.
- 19.3. The Company at the meeting at which a Director retires by rotation may fill the vacated office, and in default the retiring Director, if willing to act, shall be deemed to have been reappointed until the dissolution of the annual general meeting in the next year, unless at such first meeting it is expressly resolved not to fill the vacancy, or a resolution for the reappointment of such Director is put to the meeting and lost.
- 19.4. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for appointment, be eligible for appointment to the office of a Director at any general meeting unless, not less than seven nor more than forty two clear days before the day appointed for the meeting (excluding the day the notice is lodged and the day of the meeting), there shall have been lodged at the Office notice in writing by some Member (not being the person specified in such notice to be proposed) duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for appointment and stating the name and address of such person, and also notice in writing signed by the person to be proposed of his willingness to be appointed.
- 19.5. At a general meeting a motion for the appointment of two or more persons as Directors by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and for the purpose of this Article 19 a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.
- 19.6. The Company may from time to time by ordinary resolution increase or reduce the number of Directors, and may also determine in what rotation such increased or reduced number is to go out of office, and without prejudice to the provisions of the next following Article may by ordinary resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director.
- 19.7. The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Subject to the provisions of the Statutes and of these Articles, any Director so appointed shall hold office only until the conclusion of the next following annual general meeting, and shall be eligible for reappointment at that meeting. Any Director who retires under this Article shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

- 19.8. Without prejudice to the provisions of the Statutes, the Company may, by ordinary resolution of which special notice has been given, remove a Director before the expiration of his period of office (but such removal shall be without prejudice to any claim such Director may have for breach of any contract of service between him and the Company) and may, by ordinary resolution, appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed or reappointed a Director but this provision shall not prevent him from being eligible for re-election.
- 19.9. The office of a Director shall be vacated in any of the following events:
- (a) if (not being a Director who has agreed to serve as a Director for a fixed term) he resigns his office by notice in writing under his hand sent to or left at the Office or delivered to the Directors at a meeting of the Directors or to the Secretary; or
 - (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) if in England or elsewhere an order is made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs or if he is admitted to hospital pursuant to an application for treatment under the Mental Health Act 1983, or the Mental Health (Scotland) Act 1960; or
 - (d) if he is absent from meetings of the Directors for six successive months without leave unless prevented by illness, unavoidable accident or other cause which may seem to the Directors to be sufficient, and his alternate director (if any) shall not during such period have attended in his stead, and the Directors resolve that his office be vacated; or
 - (e) if he ceases to be a Director by virtue of any provision of the Statutes; or
 - (f) if he becomes prohibited by law from being a Director; or
 - (g) if he shall be requested in writing by all of his other co-Directors to resign; or
 - (h) if he is dismissed from executive office; or
 - (i) if he is convicted of any criminal offence which is in the reasonable opinion of the majority of his co-Directors liable to bring the Company into disrepute.

20. EXECUTIVE DIRECTORS

- 20.1. The Directors may from time to time appoint any one or more of their body to be the holder of any executive office (including that of Managing Director) on such terms as they think fit, and may revoke or vary any such appointment. A Director so appointed shall receive such remuneration (whether by way of salary, commission, participation in profits and partly in one way and partly in another, or others, or otherwise) as the Directors or a committee authorised by the Directors may determine. The appointment of a Director to any such executive office shall automatically be terminated if he ceases for any reason to be a Director. Any revocation or termination of any such appointment shall be without prejudice to any claim for breach of any contract between the Director and the Company.

- 20.2. The Directors may entrust to and confer upon any Director appointed to any such executive office any of the powers exercisable by them as Directors, other than the power to make calls or forfeit shares or issue debentures upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

21. POWERS AND DUTIES OF DIRECTORS

- 21.1. The business of the Company shall be managed by the Directors who may exercise all powers of the Company subject to the provisions of the Memorandum of Association of the Company, these Articles and of the Statutes and to such directions, whether or not inconsistent with these Articles, as may be prescribed by the Company by special resolution but no such direction and no alteration of these Articles or the Memorandum of Association of the Company shall invalidate any prior act of the Directors which would have been valid if such direction or alteration had not been given or made. The matters to which the Directors shall have regard in the performance of their functions shall include the interests of the Company's employees in general as well as the interests of its Members. The giving of any special authority or power to the Directors by any other provision of these Articles, or any resolution of the Members, shall not be construed so as to limit or restrict the general powers given to the Directors by this Article.
- 21.2. The Directors may establish any councils, committees, local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any council, committee, local board, manager, agent or director any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit. The Directors may remove any persons so appointed, and may revoke or vary the delegation, but no person dealing in good faith and without notice of any such removal, revocation or variation shall be affected thereby.
- 21.3. The Directors may from time to time, and at any time, appoint any corporation, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the agent of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they think fit. Any such appointment may contain such provisions for the protection and convenience of persons dealing with any such agent as the Directors think fit, and may also authorise any such agent to sub-delegate all or any of the powers, authorities and discretions vested in him. The Directors may remove any persons so appointed and may revoke or vary their power but no person dealing in good faith and without notice of any such removal, revocation or variation shall be affected thereby.
- 21.4. The Directors may cause to be kept in any part of Her Majesty's Dominions outside the United Kingdom, the Channel Islands or the Isle of Man in which the Company transacts business a branch register or register of members resident in such part of the said Dominions, and the Directors may (subject to the provisions of the Statutes) make and vary such regulations as they may think fit respecting the keeping of any such register.

- 21.5. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Directors may remove any persons so appointed and may revoke or vary their power but no person dealing in good faith and without notice of any such removal revocation or variation shall be affected thereby.
- 21.6. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time determine.

22. PENSIONS ETC.

- 22.1. The Directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to:
- (a) any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary undertaking of the Company or is allied to or associated with the Company or any such subsidiary undertaking or of any of the predecessors in business of the Company or any such other company as is referred to herein;
 - (b) any persons who may be or have been Directors or officers of the Company or of any such other company as is referred to herein and who hold or have held executive positions or agreements for service with the Company or any such other company as is referred to herein; and
 - (c) the husbands, wives, widowers, widows, families, common law spouses and dependants of any such persons.
- 22.2. The Directors may also establish, subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company or of any such other company as is referred to herein, or of any such person as is referred to herein and make payments for or towards the insurance of any such person as is referred to herein.
- 22.3. Subject to particulars with respect to the proposed payment being disclosed to the Members and to the proposal being approved by the Company by ordinary resolution, in either case if the Statutes shall so require, any Director who holds or has held any such executive position or agreement for services shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emoluments.
- 22.4. The Directors may also sanction the exercise of any power conferred upon the Company by section 719 of the Act (relating to the making of provision for employees on cessation or transfer of business).

23. BORROWING POWERS

23.1.

- (a) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and subject to the provisions of the Statutes to issue debentures and other securities whether outright or as collateral security for any debt liability or obligation of the Company or of any third party.
- (b) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that, save with the previous sanction of an ordinary resolution of the Company, no money shall be borrowed if the aggregate principal amount (including any premium payable on final repayment) outstanding of all moneys borrowed by the Group (excluding amounts borrowed by any member of the Group from any other member of the Group) less cash deposited then exceeds or would as a result of such borrowing exceed a sum equal to the greater of £20,000,000 and twice the aggregate of:
 - (i) the nominal amount paid up on the share capital of the Company; and
 - (ii) all reserves of the Group (including any share premium account, capital redemption reserve, merger reserve, property revaluation reserve and credit balance on the combined profit and loss account) but excluding sums set aside for taxation and amounts attributable to outside shareholders in subsidiary undertakings of the Company and deducting any debit balance on the combined profit and loss account all as shown in the then latest audited consolidated balance sheet of the Group, but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account and the capital redemption reserve, merger reserve, or property revaluation reserve of the Company since the date of its latest audited balance sheet and deducting therefrom an amount equal to any distributions by the Company out of profits earned prior to the date of its latest audited balance sheet and which have been declared, recommended, or made since that date except in so far as provided for in such balance sheet and provided that for the avoidance of doubt no deduction shall be made of any amount included in such balance sheet in relation to intangible assets.
- (c) For the purposes of this Article "moneys borrowed" shall mean all moneys borrowed and without prejudice to the generality of the foregoing shall be deemed to include without limitation:
 - (i) any amounts raised by the Company or any subsidiary undertaking under any acceptance credit and shall also include any amounts raised by way of acceptance (other than acceptances for the purchase of goods in the ordinary course of business);
 - (ii) unless already taken into account the nominal amount of any share capital and the principal amount of any indebtedness the repayment of which is guaranteed or secured or the subject of an indemnity by the Company or any subsidiary undertaking;
 - (iii) the principal amount for the time being outstanding in respect of any debenture of the Company or any subsidiary undertaking and any fixed or minimum premium on final repayment of the same;

but shall not include:

- (iv) borrowings by the Company from any subsidiary undertaking, or borrowings by one subsidiary undertaking from another or by a subsidiary undertaking from the Company;
- (v) that proportion of the borrowings of a partly owned subsidiary undertaking which corresponds to the proportion of its equity share capital not beneficially owned directly or indirectly by the Company (but only to the extent that an amount equivalent to such proportion exceeds borrowings (if any) from such partly owned subsidiary undertaking by the Company or another subsidiary undertaking);
- (vi) borrowings for the purposes of repaying the whole or any part of borrowings by any of the Company and its subsidiary undertakings for the time being outstanding and to be so applied within six months of being so borrowed, pending their application for such purpose within such period;
- (vii) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any of the Company and its subsidiary undertakings is guaranteed or insured by the Department of Trade and Industry or by any other governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable in respect of the same which is so guaranteed or insured;
- (viii) sums advanced or paid to any member of the Group (or its agent or nominee) by customers of any member of the Group as unexpended customer receipts or progress payments pursuant to any contract between such customer and a member of the Group in relation thereto;
- (ix) sums which fall to be treated as monies borrowed by any member of the Group by reason only of any current statement of standard accounting practice or other accounting principle or practice; and
- (x) monies held by any member of the Group whether on deposit or current account or otherwise in connection with any scheme for the benefit of employees or their dependants

and "**moneys borrowed**" shall for the purposes of this Article be calculated after having deducted from borrowings or proposed borrowing all cash reserves, cash in hand and cash on current account with banks which, in any such case, is available to the Company or any of its subsidiary undertakings on demand or within six months of demand.

- (d) For the purposes of this Article "**cash deposited**" shall mean an amount equal to the aggregate for the time being outstanding of all cash deposits with banks, certificates of deposit and securities of governments and companies and similar instruments owned by the Company and/or any subsidiary undertaking of the Company but excluding:
 - (i) a proportion of the total amount for the time being outstanding of cash deposits and certificates of deposit and securities of governments or companies and similar instruments owned by any partly owned subsidiary undertaking which would otherwise fall to be included, such proportion being that which the issued ordinary share capital of such partly owned subsidiary undertaking which is not for the time being beneficially owned directly or

indirectly by the Company bears to the whole of its issued ordinary share capital;

- (ii) cash deposits of and certificates of deposit and similar instruments representing any moneys held by any member of the Group whether on deposit or current account or otherwise in connection with any scheme for the benefit of employees or their dependants.
- (e) When moneys denominated or repayable in a currency other than sterling fall to be taken into account on any day for the purposes of this Article, such moneys shall be converted for the purpose of calculating the sterling equivalent either:
- (i) at the rate of exchange prevailing on that day in London provided that all but not some only of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business); or
 - (ii) where the repayment of such moneys is expressly covered by a forward purchase contract at the rate of exchange specified in such contract.
- (f) A report by the Auditors as to the aggregate amount which may at any one time be borrowed by the Company and/or as to the amount which falls to be treated as moneys borrowed or cash deposited for the purposes of this Article shall be conclusive in favour of the Company and all persons dealing with the Company.
- (g) No debt incurred or security given by the Company or any of its subsidiary undertakings shall be invalid or ineffectual by virtue of any breach of the provisions of this Article except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded. No lender or other person dealing with the Company shall be concerned to see or enquire whether the provisions of this Article have been observed.
- 23.2. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the Members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys, and the power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of Directors, and shall be assignable if expressed so to be.

24. PROCEEDINGS OF DIRECTORS

- 24.1. The Directors may meet together for the despatch of business and may adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom. Any Director may waive notice of a meeting and any such waiver may be retroactive.
- 24.2. A notice of a meeting of Directors shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in hard copy form to such address

as he may from time to time specify or if he does not specify an address to his last known address in the United Kingdom or sent in electronic form to such address (if any) as he may from time to time specify for this purpose. A Director may waive his right to receive notice of any meeting either prospectively or retrospectively.

24.3. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed at any other number shall be two. For the purposes of this Article an alternate director who is not a Director shall be counted in a quorum, but so that not less than three individuals shall constitute a quorum.

24.4. Save as otherwise provided in these Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has an interest which (together with any interest of any person connected with him within the meaning of section 252 of the Act) is a material interest otherwise than by virtue of his interest in shares or debentures or other securities of, or otherwise in, or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

24.5.

(a) 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:

- (i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligation incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (ii) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any subsidiary undertakings for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (iv) any proposal concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of section 252 of the Act) is not beneficially interested in one per cent. or more of the issued shares of any class of such body corporate (or of any other company through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
- (v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes;
- (vi) any proposal concerning the adoption modification or operation of any scheme for enabling employees including full time executive Directors of the Company and/or any subsidiary undertaking to acquire shares in the

Company or any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings under which the Director benefits in a similar manner to employees including superannuation and retirement benefits; and

- (vii) any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any Directors of the Company or for persons who include Directors of the Company in accordance with Article 38.
 - (b) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under the proviso to paragraph (a)(iv) of this Article 24.5) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment and the terms thereof.
 - (c) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where it is later established that the nature or extent of the interests of the Director concerned had not been fairly disclosed.
- 24.6. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their body, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, or below the number fixed by or pursuant to these Articles as the quorum of Directors, the continuing Directors or Director may act for the purpose of filling any vacancies in their body or of summoning general meetings of the Company, but not for any other purpose. If there are no Directors able or willing to act, then any two Members may summon a general meeting for the purpose of appointing Directors. Any additional Director so appointed shall (subject to the provisions of the Statutes and these Articles) hold office only until the close of the annual general meeting of the Company next following such appointment unless re-elected at such annual general meeting.
- 24.7. The Directors may from time to time elect from their number, and remove, a chairman or joint chairman and one or more deputy chairmen and determine the period for which they are to hold office. The chairman, or in his absence a deputy chairman or some other Director nominated by the chairman in writing, shall preside at all meetings of the Directors, but if no such chairman or deputy chairman be elected, or if at any meeting neither the chairman nor a deputy chairman nor such other Director be present within five minutes after the time appointed for holding the same or if neither of them be willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting.
- 24.8. A meeting of the Directors shall, subject to notice of the same having been given and a quorum being present in accordance with these Articles, be for all purposes deemed to be validly held when a Director or Directors are in communication by telephone, television, or other televisual communication with another Director or Directors. A meeting held by telephone, television, or other televisual communication in accordance with these Articles shall be deemed to take place where the largest number of those Directors participating is assembled or, if there is no such largest number, where the chairman of the meeting then is.

- 24.9. The Directors may delegate any of their powers to committees consisting of such Directors and persons co-opted by the Directors as they think fit provided that any such committee shall have at all times a majority of members who are Directors. Insofar as any such power or discretion is delegated to a committee any reference in these Articles to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise by such committee. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
- 24.10. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.
- 24.11.
- (a) A resolution in writing agreed to by or on behalf of all the Directors or members of a committee entitled to receive notice of a meeting (if that number is sufficient to constitute a quorum), shall be as effective as a resolution passed at a meeting of the Directors or the committee (as the case may be) duly convened and held.
 - (b) The resolution may be contained in one document whether in hard copy form or electronic copy form or in several such documents, each with like wording.
 - (c) A Director signifies his agreement to a proposed written resolution when the company receives from him a document (whether in hard copy form or electronic form) indicating his agreement to the resolution authenticated in the manner specified by the Act for a document in that form.
 - (d) For the purpose of this Article, the agreement of an alternate Director (if any) given in writing and authenticated in accordance with the terms of Article 24.11(c) shall suffice in place of the agreement of the Director appointing him.
- 24.12. All bona fide acts of any meeting of Directors, or of a duly authorised committee or by any person acting as Director, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director, committee member, or person acting as a Director, or that they or any of them were disqualified, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed, and was qualified and had continued to be a Director (or committee member as the case may be) and had been entitled to vote.

25. MINUTES

- 25.1. The Directors shall cause minutes to be recorded in hard copy form or electronic form:
- (a) of all appointments of officers and committees made by the Directors;
 - (b) of the names of the Directors and alternate directors present at each meeting of Directors and of any duly authorised committee;
 - (c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of any duly authorised committees.
- 25.2. Any such minute, if purporting to be authenticated by the chairman of the meeting at which the proceedings were held, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.

26. SECRETARY

- 26.1. The Secretary shall be qualified in accordance with the provisions of the Statutes and shall be appointed by the Directors for such term, at such remuneration and upon such conditions, and may be removed by the Directors.
- 26.2. Anything by the Statutes required or authorised to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any assistant or deputy secretary appointed by the Directors from time to time or, if there is no assistant or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors: provided that any provision of the Statutes or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in the place of the Secretary.

27. SEAL AND AUTHENTICATION OF DOCUMENTS

- 27.1. The Company shall have a Seal. The Directors shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of a resolution of the Directors or of a committee authorised in that behalf by the Directors. The Directors may from time to time make such regulations as they think fit (subject to the provisions of these Articles in relation to share and debenture certificates) determining the persons and the number of such persons who shall sign every document to which the Seal is affixed, and until otherwise so determined every such document shall be signed by one Director and shall be countersigned by a second Director or by the Secretary.
- 27.2. Where the Statutes so permit, any document signed by one Director and the Secretary or by two Directors or by a Director in the presence of a witness who attests his signature and expressed to be executed by the Company shall have the same effect as if executed under the Seal.
- 27.3. The Company may have official seals under the provisions of sections 39 and 40 of the CA 1985, or sections 49 and 50 of the Act, (which once in force shall be in substitution for sections 39 and 40 of CA 1985) for use as the Directors may determine. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.
- 27.4. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any document affecting the constitution of the Company, whether in hard copy or electronic form, and any resolution passed at a Members' meeting or at a meeting of the Directors or any committee, whether in hard copy or electronic form, and any book, record, document or account relating to the business of the Company, whether in hard copy or electronic form, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any book, record, document or account is elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of any such resolution, or an extract from the minutes of any such meeting, whether in hard copy or electronic form, which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

28. DIVIDENDS

- 28.1. Subject to the Statutes, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors. Subject to the Statutes, any determination by the Directors of the amount of profits at any time available for distribution shall be conclusive.
- 28.2. No dividend or interim dividend shall be payable otherwise than in accordance with the provisions of the Statutes and no dividend shall exceed the amount recommended by the Directors.
- 28.3. Subject to the rights of persons, if any, entitled to shares with preferential or other special rights as to dividends, all dividends shall be declared and paid according to the amounts paid up on the shares (otherwise than in advance of calls) in respect whereof the dividend is paid. All dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, except that if any share is issued on terms providing that it shall carry any particular rights as to dividend, such share shall rank for dividend accordingly.
- 28.4. Subject to the provisions of the Statutes and of these Articles, the Directors may, if they think fit, from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes, the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders of the same deferred or non-preferred rights, as well as in respect of those shares which confer on the holders of the same preferential rights with regard to dividend and the Directors may also pay half-yearly, or at other suitable intervals to be settled by them, any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment. Provided the Directors act in a bona fide manner, they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights.
- 28.5. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share, all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- 28.6. The waiver in whole or in part of any dividend by any document (whether or not under seal) shall be effective only if such document is signed by or on behalf of the Member (or any person entitled to the Member's holding by transmission) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
- 28.7. No dividend or other sums payable on or in respect of any share shall bear interest as against the Company unless otherwise provided by the rights attached to the share.
- 28.8. Any dividends or other sums payable on or in respect of any share which are unclaimed for a period of six months may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. The Company shall not be a trustee in respect of such dividends or other sums and shall not be liable to pay interest on them. Any dividend which has remained unclaimed for a period of twelve years from the date it became due for payment shall, if the Directors so resolve, be forfeit and revert to the Company.

- 28.9. Any dividend or other moneys payable on or in respect of a share may be paid by cheque sent through the post to the registered address of the Member or person entitled to the same, and in the case of joint holders to any one of such joint holders, or to such person and such address as the holder or joint holders may in writing direct or by means of a funds transfer system as may be stipulated by such Member or person. Every such cheque or payment by a funds transfer system shall be made payable to the order of the person to whom it is sent or to such other person as the holder or joint holders may in writing direct. Payment of the cheque by the bank upon which it is drawn or receipt of the moneys by the payee or its bank in the case of a payment by way of a funds transfer system, shall be a good discharge to the Company. Every payment shall be sent at the risk of the person entitled to the moneys represented by the same.
- 28.10. If several persons are registered as joint holders of any share or are entitled to be registered as joint holders of any share in consequence of the death, bankruptcy or unsound mind of the holder or otherwise by operation of law, any one of them may give effectual receipts for any dividends or other moneys payable on or in respect of the share.
- 28.11. A general meeting declaring a dividend may, upon the recommendation of the Directors, direct by ordinary resolution payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and the Directors shall give effect to such resolution. Where any difficulty arises in regard to the distribution the Directors may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of the whole or part of such specific assets, and may determine that cash payment shall be made to any Members upon the footing of the value so fixed, in order to adjust the rights of Members, and may vest any specific assets in trustees upon trust for the persons entitled to dividend as may seem expedient to the Directors, and generally may make such arrangements for the allotment, acceptance and sale of the whole or part of such specific assets or fractional certificates, and otherwise as they think fit.
- 28.12. The Directors may, with the sanction of an ordinary resolution of the Company, offer the holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, in whole, or in such part as the Directors may determine, instead of cash in respect of such dividend or dividends as are specified by such resolution. The following provisions shall apply:
- (a) any such ordinary resolution may specify a particular dividend or may specify all or any dividends falling to be declared or paid during a specified period, being a period expiring not later than five years after the date of the meeting at which the resolution is passed;
 - (b) the basis of allotment shall be determined by the Directors so that, as nearly as may be considered convenient, the value (calculated by reference to the average quotation) of the additional Ordinary Shares (including any fractional entitlement) to be allotted instead of any cash amount of dividend shall not be less than and may (with the sanction of a special resolution) exceed such amount. For such purpose the "average quotation" of an Ordinary Share shall be the average of the middle market quotations (less the relevant dividend unless the Ordinary Shares are already quoted ex such dividend) on the London Stock Exchange (derived from the Daily Official List of the London Stock Exchange or any similar publication) on at least five consecutive dealing days selected by the Directors, but commencing no earlier than the day upon which the proposed relevant dividend is announced by the Directors;

- (c) the Directors shall give notice in writing to the holders of the Ordinary Shares of the rights of election offered to them and shall send with or following such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
- (d) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be paid in cash on Ordinary Shares in respect of which the said election has been duly exercised (the "Elected Ordinary Shares") and on and with effect from the due date of payment of the dividend (or part thereof) in respect of which a right of election has been offered or such earlier date (after the election) as the Directors may determine additional Ordinary Shares shall be allotted instead of payment of cash to the holders of the Elected Ordinary Shares on the basis of allotment determined as aforesaid. For such purpose the Directors shall capitalise, out of such of the sums standing to the credit of reserves (including any share premium account and capital redemption reserve) or profit and loss account as the Directors may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares for allotment and distribution to and amongst the holders of Elected Ordinary Shares on such basis;
- (e) the additional Ordinary Shares so allotted shall rank pari passu in all respects with the fully paid Ordinary Shares then in issue save only as regards participation in the relevant cash dividend (or share election instead thereof);
- (f) the Directors may do all acts and things which it considers necessary or expedient to give effect to any such offer and capitalisation, with power to make such provisions as it thinks fit for dealing with shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or carried forward or the benefit of fractional entitlements accrues to the Company or to one or more charities nominated by it rather than to the members concerned). The Directors may authorise any person on behalf of all the members concerned to enter into an agreement with the Company providing for such capitalisation and matters incidental thereto and an agreement made under such authority shall be effective and binding on all persons concerned;
- (g) notwithstanding anything to the contrary in this Article, the Directors may make such exclusions from any offer of rights of election to holders of Ordinary Shares as it may think fit in the light of any legal or practical problems under or expense incurred in connection with the requirements of the laws of, or the requirements of any regulatory or stock exchange authority in, any territory;
- (h) the Directors may determine to treat as valid for the purposes of this Article any mandate in force to receive on a regular basis (and not in relation to a single dividend only) Ordinary Shares instead of receiving payment of cash dividends and such mandate shall, if so determined by the Directors, entitle the relevant holders of Ordinary Shares to an allotment of new Ordinary Shares pursuant to this Article; and
- (i) the Directors may (if it considers it necessary or desirable for any reason to do so) at any time and from time to time prior to payment of any dividend, disregard any election or mandate received in connection with this Article and pay the relevant dividend or dividends in cash.

29. RESERVES

- 29.1. The Directors may before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company (including any premiums received upon the issue of debentures or other securities of the Company) such sums

as they think proper as a reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting depreciation or contingencies or for special dividends or bonuses or for equalising dividends or for repairing improving or maintaining any property of the Company or for any other purpose to which the profits of the Company may properly be applied and, pending such application, may at the like discretion either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may divide the reserve into special funds as they think fit and may consolidate into one fund any special funds or parts of such funds into which the reserve may have been divided as they think fit. Any sum which the Directors may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Directors may also without placing the same to reserve, carry forward any profits which they may think prudent not to distribute.

30. CAPITALISATION

- 30.1. Upon the recommendation of the Directors, the Company may pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or all or any part of any sum standing to the credit of any reserve or fund (whether or not available for distribution).
- 30.2. Subject as provided below, the Directors may appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or (subject to approval by ordinary resolution and to any subsisting special rights previously conferred on any shares or class of shares) in paying up in full unissued shares of any class or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other provided that:
- (a) the Company shall for the purposes of this Article be deemed to be such a member in relation to any shares held as treasury shares which, if not so held, would have ranked for any such distribution by way of dividend, but only insofar as the appropriated sum is to be applied in paying up in full unissued shares of the Company; and
 - (b) the share premium account, the capital redemption reserve, and any reserve or fund representing profits which are not available for distribution may only be applied in paying up in full unissued shares of the Company.
- 30.3. The Directors may authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation and any matters incidental thereto, any agreement made under such authority being binding on all such members.
- 30.4. If any difficulty arises concerning any distribution of any capitalised reserve or fund, the Directors may subject to the Statutes and, in the case of shares held in uncertificated form, the system's rules, settle it as the Directors consider expedient and in particular may issue fractional certificates, authorise any person to sell and transfer any fractions or resolve that the distribution should be made as nearly as practicable in the correct proportion or may ignore fractions altogether, and may determine that cash payments

shall be made to any members in order to adjust the rights of all parties as the Directors considers expedient.

- 30.5. Where, pursuant to an employees' share scheme, the Company has granted options to subscribe for shares on terms which provide (inter alia) for adjustments to the subscription price payable on the exercise of such options or to the number of shares to be allotted upon such exercise in the event of any increase or reduction in, or other reorganisation of, the Company's issued share capital and an otherwise appropriate adjustment would result in the subscription price for any share being less than its nominal value, then, subject to and in accordance with the provisions of the Statutes, the Directors may, on the exercise of any of the options concerned and payment of the subscription which would have applied had such adjustment been made, capitalise any such profits or other sum as is mentioned in Article 30 to the extent necessary to pay up the unpaid balance of the nominal value of the shares which fall to be allotted on the exercise of such options and apply such amount in paying up such balance and allot shares fully paid accordingly. The other provisions of this Article 30 shall apply mutatis mutandis to any such capitalisation except that the authority of an ordinary resolution of the Company shall not be required.

31. RECORD DATE

- 31.1. Notwithstanding any other provision of these Articles the Company or the Directors may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before any date on which such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

32. ACCOUNTS

- 32.1. The Directors shall cause proper accounting records to be kept in accordance with the Statutes.
- 32.2. The accounting records shall be kept at the Office, or (subject to the provisions of the Statutes) at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. No Member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Statutes or order of a court of competent jurisdiction or authorised by the Directors or by the Company in general meeting.
- 32.3. The Directors shall from time to time cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are specified in the Statutes.
- 32.4. Subject to Article 32.5 below, a printed copy of the Directors' and Auditors' reports accompanied by printed copies of the balance sheet, profit and loss account and other documents required by the Statutes to be annexed to the balance sheet shall, not less than twenty-one days (excluding the day on which it is delivered or deemed to be delivered, and the day on which the general meeting is to be held) before the general meeting before which they are to be laid, be delivered or sent by post to the registered address of every Member, holder of debentures of the Company and to every person who is entitled to receive notice of general meetings, and to the Auditors and, if all or any of the shares in or debentures of the Company are for the time being listed on the Stock Exchange, there shall at the same time be forwarded to the Stock Exchange such number of copies of each of these documents as may be required by the regulations for

the time being of the Stock Exchange. This Article shall not require a copy of these documents to be sent to any Member to whom a summary financial statement is sent in accordance with the Statutes and provided further that this Article shall not require a copy of these documents to be sent to more than one of joint holders or to any person of whose address the Company is not aware, but any Member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. Copies do not need to be sent to a person for whom the Company does not have a current address.

- 32.5. References in Article 32.4 to sending to any persons printed copies include references to using electronic communications for sending those copies to such address as may for the time being be notified to the Company by that person for that purpose. For the purposes of this Article 32.5, copies of those documents are also to be treated as sent to a person where;
- (a) the Company and that person has agreed to that person having access to the documents on a web site (instead of their being sent to such person);
 - (b) the documents are documents to which that agreement applies; and
 - (c) that person is notified, in a manner for the time being agreed for the purpose between such person and the Company, of
 - (i) the publication of the documents on a web site;
 - (ii) the address of that web site; and
 - (iii) the place on that web site where the documents may be accessed, and how they may be accessed.

In this Article 32.5, "**address**" includes any number or address used for the purpose of electronic communications.

- 32.6. For the purposes of this Article 32, documents treated in accordance with Article 32.5 as sent to any person are to be treated as sent to such person not less than 21 days before the date of a meeting if, and only if:
- (a) the documents are published on the web site throughout a period beginning at least 21 days before the date of the meeting and ending with the conclusion of the meeting; and
 - (b) the notification given for the purposes of Article 32.5(c) is given not less than 21 days before the date of the meeting.
- 32.7. Nothing in Article 32.6 shall invalidate the proceedings of a meeting where:
- (a) any documents that are required to be published as mentioned in Article 32.6(a) are published for a part, but not all, of the period mentioned in that paragraph; and
 - (b) the failure to publish those documents throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the company to prevent or avoid.

33. AUDIT

- 33.1. Once at least in every year the accounts of the Company shall be examined and the correctness of the balance sheet, profit and loss account and group accounts (if any) ascertained by an Auditor or Auditors.
- 33.2. Auditors shall be appointed and their duties, powers, rights and remuneration regulated in accordance with the provisions of the Statutes.

34. COMMUNICATIONS

34.1. Form of communications

- (a) Except to the extent that these Articles provide otherwise, and subject to compliance with the Statutes, anything sent or supplied by or to any person, including the Company, under these Articles may be sent or supplied, whether or not because the Statutes require it to be sent or supplied, in any way (including, except in the case of anything supplied to the Company, by making it available on a website) in which documents or information required to be sent or supplied may be sent or supplied by or to that person in accordance with the Companies Act 2006.
- (b) Except insofar as the Statutes require otherwise, the Company shall not be obliged to accept any notice, document or other information sent or supplied to the Company in electronic form unless it satisfies such stipulations, conditions or restrictions (including for the purpose of authentication) as the Directors think fit, and the Company shall be entitled to require any such notice, document or information to be sent or supplied in hard copy form instead.
- (c) Any notice, document or other communication (including copies of accounts or summary financial statements) to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of directors) shall be in writing except that, if it is in electronic form, it need not be in writing unless these Articles specifically require it to be.
- (d) Subject to the Statutes, the Directors may from time to time issue, endorse or adopt terms and conditions relating to the use of electronic means under these Articles.
- (e) Nothing in these Articles shall prevent the Company from sending or supplying any notice, document or information in hard copy form instead of in electronic form on any occasion.

34.2. Subject to the Act, if at any time, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national newspaper published in the United Kingdom. The notice shall be deemed to have been duly served on all Members entitled to notice at noon on the day on which the advertisement appears. In any such case, the Company shall send confirmatory copies of the notice by post to those Member to whom notice cannot be given by electronic means if, at least 6 Clear Days before the meeting, the posting of notices to addresses throughout the United Kingdom again becomes practicable.

34.3. Communication with joint holders

- (a) In the case of joint holders of a share, all notices, documents or other information shall be given to the joint holder whose name stands first in the Register in respect of the joint holding and shall be deemed to have been given to all the joint holders. Any agreement by that holder that notices, documents and other information may be sent

or supplied in electronic form or by being made available on a website shall be binding on all the joint holders.

34.4. Communication with overseas members

- (a) A member whose registered address is not within the United Kingdom and who notifies the Company of an address within the United Kingdom at which documents or information may be supplied to him shall be entitled to have such things supplied to him at that address, but otherwise no such member shall be entitled to receive any document or information from the Company. Such address may, at the Directors discretion, be an electronic address but the Directors may at any time without prior notice (and whether or not the Company has previously sent or supplied any documents or information in electronic form to that electronic address) refuse to send or supply any documents or information to that electronic address if it believes that its refusal is necessary or expedient in relation to any legal or practical problems under the laws of, or the requirements of any regulatory body or stock exchange or other authority in, any territory, or that for any other reason it should not send or supply any documents or information to that electronic address.

34.5. Communication with person entitled by transmission

- (a) Where a person is entitled by transmission to a share, any notice, document or other information may be sent or supplied to him by the Company in any manner in which it might have been sent or supplied to the holder if that person had not become so entitled, and as if that person's address were that noted in the Register as the holder's registered address or were the electronic address (if any) specified by the holder. Otherwise, any notice, document or other information sent or supplied to any member pursuant to these Articles shall, notwithstanding that the member is then dead or bankrupt or that any other event giving rise to the transmission of the share by operation of law has occurred and whether or not the Company has notice of the death, bankruptcy or other event, be deemed to have been properly sent or supplied in respect of any share registered in the name of that member as sole or joint holder.

34.6. When notice deemed served

- (a) Any notice, document or other information:
 - (i) if sent by the Company by post or other delivery service shall be deemed to have been received on the day (whether or not it is a working day) following the day (whether or not it was a working day) on which it was put in the post or given to the delivery agent and, in proving that it was duly sent, it shall be sufficient to prove that the notice, document or information was properly addressed, prepaid and put in the post or duly given to the delivery agent;
 - (ii) if sent by the Company by electronic means in accordance with the Statutes shall be deemed to have been received on the same day that it was sent, and proof that it was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that it was sent;
 - (iii) if made available on a website in accordance with the Statutes shall be deemed to have been received when notification of its availability on the website is deemed to have been received or, if later, when it is first made available on the website;
 - (iv) not sent by post or other delivery service but delivered personally or left by the Company at the address for that member on the Register shall be

deemed to have been received on the day (whether or not it was a working day) and at the time it was so left;

- (v) sent or delivered by a relevant system shall be deemed to have been received when the Company (or a sponsoring system-participant acting on its behalf) sends the issuer instructions relating to the notice, document or information;
- (vi) sent or supplied by the Company by any other means agreed by the member concerned shall be deemed to have been received when the Company has duly performed the action it has agreed to take for that purpose; and
- (vii) to be given by the Company by advertisement shall be deemed to have been received on the day on which the advertisement appears.

34.7. Record date

- (a) Any notice, document or information may be sent or supplied by the Company by reference to the Register as it stands at any time not more than 21 days before the day it was sent or supplied. No change in the Register after that time shall invalidate the delivery of that notice, document or information, and every person not on the Register in relation to a particular share at that time who derives any title or interest in the share shall be bound by the notice, document or information without the Company being obliged to send or supply it to that person.
- (b) Loss of entitlement to receive communications If on three consecutive occasions notices, documents or information have been sent to any member at the registered address or his address (including an electronic address) for the service of notices but, through no fault of the Company, have been undelivered, such member shall not from then on be entitled to receive notices, documents or other information from the Company until he has notified to the Company in writing a new address within the United Kingdom to be either his registered address or his address (including an electronic address) for the service of notices.

35. UNTRACED SHAREHOLDERS

35.1. The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a Member or any share or stock to which a person is entitled by transmission if and provided that:

- (a) during a period of twelve years at least 3 cash dividends have become payable in respect of the share or stock to be sold; and
- (b) during that period of twelve years, no cash dividend payable in respect of the share or stock has been claimed, no cheque or warrant, order or payment of a dividend has been cashed, no dividend sent by means of a funds transfer system has been paid and no communication has been received by the Company from the Member or person entitled by transmission to the share or stock; and
- (c) the Company has at the expiration of the said period of twelve years by advertisement in both a leading national daily newspaper and in a newspaper circulating in the area in which the last known address of the Member or person entitled by transmission to the share or stock is located or the address at which notices may be given in accordance with these Articles is located given notice of its intention to sell such shares or stock; and

- (d) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person entitled by transmission; and
 - (e) the Company has given notice in writing to the Stock Exchange of its intention to sell such shares or stock.
- 35.2. To give effect to any such sale as is referred to in Article 35.1 the Company may appoint any person to execute as transferor an instrument of transfer of such share or stock and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such share or stock. The Company shall account to the Member or other person entitled to such share or stock for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such Member or other person. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.
- 35.3. The Company may retain the dividends or other moneys payable on or in respect of any share or stock if:
- (a) (a) on at least three consecutive occasions dividends in respect of shares or stock have become payable and have either been left uncashed or have been returned to the Company; or
 - (b) (b) the Company is not required, pursuant to Article 35.4, to send any notices, documents or other communications to such Member (or any person entitled to the Member's holding by transmission).
- 35.4. If at least 3 notices or other documents or communications sent to the address on the Register of a Member are returned to the Company and such Member (or any person entitled to his holding by transmission) has not notified the Company of a new address to which communications from the Company are to be sent, the Company shall not be required to send any further notices or such other documents or communications to such Member (or any person entitled to his holding by transmission) until notified of a new address within the United Kingdom for such service.

36. DESTRUCTION OF DOCUMENTS

- 36.1. The Company may destroy:
- (a) subject to Article 36.1(b), all instruments of transfer of shares and other documents which were the basis for making an entry on the Register after six years from the date of registration;
 - (b) all dividend mandates (or variations or cancellations of dividend mandates) and notifications of a change of address or name, after two years from the date they were registered; and
 - (c) all cancelled share certificates, after one year from the date of cancellation.
- 36.2. If the Company destroys a document under Article 36.1, it shall be 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 shall be conclusively treated as properly taken.

- 36.3. This Article 36 shall only apply to documents which are destroyed in good faith and where the Company is not on notice of any claim to which the document may be relevant.
- 36.4. References in this Article 36 to the destruction of any document include references to its deletion or disposal in any manner.

37. WINDING UP

- 37.1. If the Company is wound up (whether the liquidation is altogether voluntary, under supervision, or by the Court) the liquidator may, with the authority of a special resolution, and subject to any provision sanctioned by ordinary resolution of the Company under section 719 of the CA 1985, or section 247 of the Act (and once in force the provisions of section 247 of the Act shall be in substitution for the provisions of section 719 of the CA 1985), divide among the Members in specie the whole or any part of the assets of the Company, and whether or not the assets consist of property of one kind or of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Members or different classes of Members, but so that if any such division shall be otherwise than in accordance with the existing rights of the Members every Member shall have the same right of dissent and ancillary rights as if such resolution were a special resolution passed in accordance with section 110 of the Insolvency Act 1986. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator, with the like authority, thinks fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Member shall be compelled to accept any shares in respect of which there is a liability.
- 37.2. Any such resolution may provide for and sanction a distribution of any specific assets amongst different classes of members otherwise than in accordance with their existing rights, but each member shall in that event have a right of dissent and other ancillary rights in the same way as if the resolution were a special resolution passed in accordance with the Insolvency Act 1986.

- 37.3. Power of sale

The power of sale of the liquidator shall include a power to sell wholly or partly for shares or debentures or other obligations of another company, either then already constituted or about to be constituted, for the purpose of carrying out the sale.

38. INDEMNITY AND INSURANCE

- 38.1. Subject to, and so far as may be consistent with, the Statutes, the Company:
- (a) may purchase and maintain insurance against any liability for any Director or other officer or employee of the Company or associated company in connection with any negligence, default, breach of duty or breach of trust by such Director;
 - (b) may provide any Director of the Company, including where the Company is trustee of an occupational pension fund, with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with any application concerning (i) the acquisition of shares by an innocent nominee or (ii)

the general power of the court to grant relief in case of honest and reasonable conduct) or may do anything to enable a Director of the Company to avoid incurring such expenditure; provided that the funds are loaned or other thing done on terms that the loan will fall to be repaid, or any liability of the Company under any transaction connected with the thing in question will fall to be discharged, not later than:

- (i) in the event of the Director being convicted in the proceedings, the date when the conviction becomes final; or
 - (ii) in the event of judgement being given against the Director in the proceedings, the date when the judgement becomes final; or
 - (iii) in the event of the court refusing to grant the Director relief on the application, the date when the refusal of relief becomes final and
- (c) subject to Article 38.1(b) above, may indemnify directly or indirectly a Director of the Company or an associated company in connection with any negligence, default, breach of duty or breach of trust by such Director;
- (d) may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity should any Director or other person shall become personally liable for the payment of any sum primarily due from the Company.

39. UNCERTIFICATED SHARES

39.1. Notwithstanding anything in these Articles to the contrary, any shares in the Company may be held in uncertificated form and title to shares may be transferred by means of a relevant system. Any provisions of these Articles shall not apply to any uncertificated shares to the extent that such provisions are inconsistent with:

- (a) the holding of shares in uncertificated form;
- (b) the transfer of title to shares by means of a relevant system; or
- (c) any provision of the Regulations.

39.2. Notwithstanding anything in these Articles and without prejudice to the generality and effectiveness of the foregoing:

- (a) Articles 3, 7.1, 7.2, 7.3, 7.4 and 7.8 shall not apply to uncertificated shares.
- (b) In relation to uncertificated shares, the Directors may refuse to register a transfer of uncertificated shares in such circumstances as may be permitted or required by the Regulations and the relevant system.
- (c) References in these Articles to a requirement on any person to execute or deliver an instrument or transfer or certificate or other document which shall not be practicable in the case of uncertificated shares shall, in the case of uncertificated shares, be treated as references to a requirement to comply with any relevant requirements of the relevant system and any relevant arrangements or regulations which the Directors may make from time to time pursuant to Article 39.2(h) below.
- (d) Conversion of certificated shares into uncertificated shares, and vice versa, may be made in such manner as the Directors may, in their absolute discretion, think fit

(subject always to the Regulations and the facilities and requirements of the relevant system concerned).

- (e) The Company shall enter on the Register the number of shares which are held by each Member in uncertificated form and in certificated form and shall maintain the Register in each case as is required by the Regulations and the relevant system concerned and, unless the Directors otherwise determine, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings.
- (f) Unless the Directors otherwise determine or the Regulations and/or the rules of the relevant system concerned otherwise require, any shares issued or created out of or in respect of any uncertificated shares shall be uncertificated shares and any shares issued or created out of or in respect of any certificated shares shall be certificated shares.
- (g) A class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares, or as a result of any provision of these Articles or the Regulations which apply only in respect of certificated shares or uncertificated shares.
- (h) The Directors may make such arrangements or regulations (if any) as they may from time to time in their absolute discretion think fit in relation to the evidencing issue and transfer of uncertificated shares, the payment of dividends or any other amount in respect of uncertificated shares and otherwise for the purpose of implementing and/or supplementing the provisions of this Article 39 and the Regulations and the facilities and requirements of the relevant system concerned, and such arrangements and regulations (as the case may be) shall have the same effect as if set out in this Article 39.

39.3. For the purposes of this Article 39:

- (a) words and expressions shall have the same respective meanings as in the Regulations 2001;
- (b) references herein to an uncertificated share or to a share (or to a holding of shares) being in uncertificated form are references to that share being an uncertificated unit of a security; and
- (c) references herein to the Regulations include any re-enactment or modification thereof or any regulations made in substitution therefor made under section 207 of the Companies Act 1989 and from time to time in force.

40. INFORMATION RIGHTS

40.1. Subject to the Act, the Directors may from time to time issue, endorse or adopt terms and conditions relating to the form and content of any notification to the Company of a nomination of a person to enjoy information rights under section 146 of the Act.