

**The Companies Act 2006**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

of

**TOUCHSTONE GROUP LIMITED**

(Adopted by Shareholder Resolution on  
the 2023)

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## 1. Preliminary

*Table A and Model Articles not to apply*

- 1.1 No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as regulations or articles of the Company.

*Interpretation*

- 1.2 In these Articles, unless the context otherwise requires, the following words and expressions have the meanings set out opposite them:

the "**Act**" means the Companies Act 2006;

"**Adoption Date**" means the date these Articles were adopted;

"**these Articles**" means these articles of association as altered from time to time;

"**Board**" means the Directors for the time being of the Company or the Directors present at a meeting of the Directors at which a quorum is present;

"**Business Day**" means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

"**Company**" means Touchstone Group Limited;

"**Conflict**" has the meaning given in Article 17.14;

"**Controlling Interest**" an interest in Shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

"**Director**" means a Director of the Company, and includes any person occupying the position of Director, by whatever name called;

"**Eligible Director**" means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter);

"**Employee Trust**" means a trust within the meaning of Section 86 of the Inheritance Tax Act 1984;

"**Fair Price**" means the fair price of any Shares as certified by the Auditors;

"**Higher Majority Resolution**" means a resolution of the members (or of a class of members) of the Company passed by a majority of not less than 65%;

"**holder**" in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares;

"**Instrument**" means a document in hard copy form;

"**Majority Holder**" means any holder of more than 20% of the total issued share capital of the Company at the Adoption Date;

"**Majority Holder Director**" a Director appointed in accordance with Article 16.3;

**"month"** means calendar month;

**"Offer Price"** means the offer price (if any) at which the Sale Shares are offered in a Transfer Notice;

**"Ordinary Resolution"** has the meaning given in section 282 of the Act;

**"Ordinary Shares"** the ordinary shares of £0.10 each in the capital of the Company;

**"paid"** means paid or credited as paid;

**"Register"** means the register of members of the Company;

**"Registered Office"** means the registered office of the Company for the time being;

**"Sale Shares"** means the Shares specified in a Transfer Notice served by a Shareholder;

**"Secretary"** means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company including a joint, assistant or deputy secretary;

**"Shareholder"** means a person who is the holder of a Share;

**"Shares"** means the Ordinary Shares in the Company;

**"Special Resolution"** has the meaning given in section 283 of the Act;

**"Statutes"** means the Act and all other statutes, orders, listing rules, regulations and other subordinate legislation for the time being in force concerning companies so far as they apply to the Company;

**"Subsidiary"** has the meaning given in the Act;

**"Transfer Notice"** means a notice in writing from a Shareholder specifying the Sale Shares held by that Shareholder which he/she desires to sell or dispose of;

**"United Kingdom"** includes England, Scotland, Wales and Northern Ireland but excludes the Channel Islands and the Isle of Man;

**"Vendor"** any Shareholder desiring to sell or otherwise dispose of any Sale Shares;

**"Warehouse"** a subsidiary of the Company or an Employee Trust established for the purposes of holding shares in the Company or any of its subsidiaries upon trust for employees, or past employees, or those to be appointed as employees in all cases of the Company or any of its subsidiaries;

**"in writing"** means written or produced by any substitute for writing or partly one and partly another; and

**"year"** means calendar year.

In these Articles:

- (a) reference to any statute or statutory provision includes a reference to that statute or statutory provision as amended, extended or re-enacted and to any regulation, order, instrument or subordinate legislation under the relevant statute or statutory provision;

- (b) references herein to a Share (or to holding of Shares) being in uncertificated form or in certificated are references, respectively, to that Share being an uncertificated unit of a security or a certificated unit of a security;
- (c) reference to the singular includes a reference to the plural and vice versa;
- (d) reference to any gender includes a reference to all other genders;
- (e) headings are included only for convenience and shall not affect meaning;
- (f) references to persons include bodies corporate, unincorporated associations and partnerships and any reference to any party who is an individual is also deemed to include their respective legal personal representatives; and
- (g) unless the context (or this or the preceding article) otherwise require, words or expressions bear the same meaning as in the Act.

*Registered Office*

- 1.3 The Registered Office shall be at such place in England and Wales as the Board shall from time to time appoint.

**2. Share Capital**

*Issued share capital*

- 2.1 The share capital of the Company at the date of the adoption of these Articles is £977,223.70 divided into 9,772,237 Ordinary Shares.

*Variation of rights*

- 2.2 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued Shares of the class or with the sanction of a Special Resolution passed either by written resolution or at a separate general meeting of the holders of the Shares of the class (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or during or in contemplation of a winding-up, To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company and to the proceedings at such general meetings shall with necessary modifications apply, except that:
- (a) the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued Shares of the class (but so that if at any adjourned meeting a quorum as defined above is not present, any one holder of any Shares of the class present in person or by proxy shall be a quorum); and
  - (b) any holder of Shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every Share of the class held by him.
- 2.3 The preceding article shall apply to the variation or abrogation of the special rights attached to some only of the Shares of any class as if each group of Shares of the class differently treated formed a separate class the special rights of which are to

be varied.

- 2.4 The special rights attached to any class of Shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue of that class of Shares, be deemed to be varied:
- (a) by the creation or issue of further Shares ranking as regards participation in the profits or assets of the Company in some or all respects equally with such Shares but in no respect in priority to such Shares; or
  - (b) by the purchase by the Company of any of its own Shares.

*Consolidation, subdivision and cancellation*

- 2.5 The Company may by Higher Majority Resolution:
- (a) consolidate and divide all or any of its share capital into Shares of larger nominal value than its existing Shares;
  - (b) 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 capital by the amount of the Shares so cancelled;
  - (c) subject to the provisions of the Statutes, sub-divide its Shares, or any of them, into Shares of smaller nominal value than is fixed by the memorandum of association and so that the resolution whereby any Share is sub-divided may determine that, as between the Shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared to the others.

*Fractions on consolidation*

- 2.6 Whenever as a result of a consolidation of Shares any members would become entitled to fractions of a Share, the Board may deal with the fractions as it thinks fit and in particular may sell the Shares representing the fractions to any person (including, subject to the provisions of the Statutes, the Company) and distribute the net proceeds of sale in due proportion among those members and the Board may authorise some person to transfer or deliver the Shares to, or in accordance with the directions of, the purchaser. The person to whom any Shares are transferred or delivered 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 in, or invalidity of, the proceedings relating to the sale.

*Reduction or cancellation*

- 2.7 The Company may by Special Resolution reduce or cancel its share capital or any revaluation reserve or share premium account or any other reserve fund in any manner and with and subject to any confirmation or consent required by law.

*Purchase of own shares*

- 2.8 Subject to the provisions of the Statutes, the Company may by Special Resolution purchase or may enter into any contract under which it will or may purchase, any of its own Shares of any class (including any redeemable Shares). Any Shares to be so purchased may (subject to any resolution of the Company in general meeting) be selected in any manner determined by the Board, and for the avoidance of doubt,

notwithstanding Article 2.5, may be cancelled.

- 2.9 Where there are in issue convertible securities convertible into or carrying a right to subscribe for equity shares of a class proposed to be purchased, a separate meeting of the holders of the convertible securities must be held and their approval by Special Resolution obtained before the Company enters into any contract to purchase equity shares of the relevant class. Subject to this and notwithstanding anything to the contrary contained in these Articles, the rights and privileges attached to any class of Shares shall be deemed not to be altered or abrogated by anything done by the Company in pursuance of any resolution passed under the powers conferred by the preceding article.

*Assistance for the acquisition of Shares in the Company*

- 2.10 Notwithstanding the provisions of the Act, neither the Company, nor any Subsidiary of the Company, shall be permitted to provide any financial assistance in respect of the acquisition of any Shares in itself without first obtaining the authorisation of the Shareholders by Higher Majority Resolution.

### **3. Shares**

*Trust etc interest not recognised*

- 3.1 Except as ordered by a court of competent jurisdiction or as required by law or in relation to Shares held by an Employee Trust, the Company shall not be bound by or required in any way to recognise (even when it has notice) the terms of any trust on which any Shares are held or any equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a Share or (except only as otherwise provided by these Articles or by law) any other right in respect of any Share except an absolute right to the entirety of such Share.

*Further issues of shares: authority*

- 3.2 Save to the extent authorised by these Articles, or authorised from time to time by an Ordinary Resolution of the Shareholders, the Directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares in the Company.
- 3.3 Subject to the remaining provisions of Article 3.2 to Article 3.7, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to:

- (a) offer or allot;
- (b) grant rights to subscribe for or to convert any security into;
- (c) otherwise deal in, or dispose of,

any Shares to any person, at any time and subject to any terms and conditions as the Directors think proper.

- 3.4 The authority referred to in Article 3.3:
- (a) shall be limited to a maximum nominal amount of £10,000;
  - (b) shall only apply insofar as the Company has not renewed, waived or revoked it by Ordinary Resolution; and



- (c) may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the Directors may make an offer or agreement which would, or might, require Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

*Further issues of shares: pre-emption rights*

- 3.5 In accordance with section 570 of the Act, the Directors are generally and unconditionally authorised to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by Article 3.3, as if section 561 of the Act did not apply to any such allotment, provided that this power shall:
  - (a) be limited to the allotment of equity securities up to an aggregate nominal amount of £10,000; and
  - (b) expire when the authority conferred by Article 3.3 is revoked or would expire (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before expiry of the authority conferred by Article 3.4, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the authority conferred by this Article 3.5 has expired.
- 3.6 No Shares shall be allotted to any employee, Director, prospective employee or Director unless such person has (if required by the Directors) entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

*Renunciation of allotment*

- 3.7 Subject to the provisions of the Statutes and of these Articles, the Board 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 such Share 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 Board may think fit to impose.

**4. Share Certificates**

*General*

- 4.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.
- 4.2 Every certificate must specify:-
  - (a) in respect of how many Shares, of what class, it is issued;
  - (b) the nominal value of those Shares; and
  - (c) any distinguishing numbers assigned to them.
- 4.3 No certificate may be issued in respect of Shares of more than one class.
- 4.4 Certificates must:-

- (a) have affixed to them the Company's common seal, or
- (b) be otherwise executed in accordance with the Act.

*Joint holders*

- 4.5 In the case of a Share held jointly by several persons the Company shall not be bound to issue more than one certificate for such Share and delivery of a certificate to one of two or more joint holders shall be sufficient delivery to all.

*Balance certificate*

- 4.6 Where some only of the Shares comprised in a Share certificate are transferred the old certificate shall be cancelled and a new certificate for the balance of such Shares shall be issued without charge.

*Replacement of share certificates*

- 4.7 Any two or more certificates representing Shares of any one class held by any member may at his request be cancelled and a single new certificate for such Shares issued in lieu without charge.
- 4.8 If any member shall surrender for cancellation a share certificate representing Shares held by him and request the Company to issue in lieu two or more share certificates representing such Shares in such proportion as he may specify, the Board may, if it thinks fit, comply with such request.
- 4.9 If a share certificate shall be defaced, worn out or alleged to have been lost, stolen or destroyed, it shall be replaced without charge (other than exceptional out-of-pocket expenses) but on such terms (if any) as to evidence and indemnity and to payment of any expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, where it is defaced or worn out, after delivery of the old certificate to the Company.
- 4.10 In the case of Shares held jointly by several persons any request for a new share certificate may be made by any one of the joint holders.

**5. Calls on Shares**

*Power to make calls*

- 5.1 The Board may from time to time make calls upon the members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or, when permitted, by way of premium) but subject always to the terms of issue of such Shares. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable by instalments. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of Shares in respect of which the call was made.

*Liability for calls*

- 5.2 Each member shall (subject to receiving no fewer than fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the sum called on his Shares. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect of such Share. A call may be revoked or postponed as the Board may determine.

*Interest on overdue sums*

- 5.3 If a sum called in respect of a Share is not paid before or on the day appointed for payment of such sum, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment of such sum to the time of actual payment at such rate (not exceeding 15 per cent, per annum) as the Board determines but the Board shall be at liberty to waive payment of such interest wholly or in part.

*Other sums due on shares*

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

*Power to differentiate between holders*

- 5.5 The Board may on the issue of Shares differentiate between the holders as to the calls to be made and the times of payment.

*Payment of calls in advance*

- 5.6 If the Board thinks fit the Company may receive from any member who is willing to advance them all or any part of the moneys uncalled and unpaid upon the Shares held by him and upon all or any of the moneys so advanced may (until they would, but for the advance, become payable) pay interest at such rate, not exceeding (unless the Company by Higher Majority Resolution shall otherwise direct) 15 per cent, per annum as the Board may decide. While any amount paid up in advance of calls on any Share may entitle the holder of the Share to interest it shall not entitle the holder to participate in respect of that amount in any dividend.

**6. Forfeiture and Lien**

*Notice on failure to pay a call*

- 6.1 If a member fails to pay in full any call or instalment of a call on the due date for payment of such call or instalment, the Board may at any time after the failure 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 on such call or instalment and any expenses incurred by the Company by reason of such non-payment.
- 6.2 The notice shall name a further day (being not fewer than seven days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance with such notice the Shares on which the call was made will be liable to be forfeited.

*Forfeiture for non-compliance*

- 6.3 If the requirements of any such notice as is referred to in the preceding article are not complied with, any Share in respect of which such notice has been given may

at any time after the non-compliance, before payment of all calls and interest and expenses due in respect of such Share has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Share and not actually paid before forfeiture. The Board may accept a surrender of any Share liable to be forfeited under these Articles.

*Notice on previous holder*

- 6.4 Where any Share has been forfeited, notice of the forfeiture shall be served upon the person who was the holder of the Share before forfeiture, but no forfeiture shall be invalidated in any manner by any omission or neglect to give such notice.

*Disposal of forfeited shares*

- 6.5 A Share forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or disposed of in any other way either to the person who was the holder of such Share or entitled to such Share before such forfeiture or surrender, or to any other person upon such terms and in such manner as the Board shall think fit and at any time before a sale, re-allotment or other disposition the forfeiture may be annulled by the Board on such terms as it thinks fit. The Board may, if necessary, authorise some person to transfer a forfeited or surrendered Share to any such other person.

*Holder to remain liable despite forfeiture*

- 6.6 A member whose Shares have been forfeited or surrendered shall cease to be a member in respect of the Shares (and shall surrender to the Company for cancellation the certificate for such Shares) but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the Shares with interest on such Shares at such rate (not exceeding 15 per cent, per annum) as the Board may determine from the date of forfeiture or surrender until payment. The Board may at its absolute discretion enforce payment without any allowance for the value of the Shares at the time of forfeiture or surrender or waive payment in whole or in part.

*Lien on partly-paid Shares*

- 6.7 The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Share. The Board may waive any lien which has arisen and may resolve that any Share shall for some limited period be exempt wholly or partially from the provisions of this article.

*Sale of Shares subject to lien*

- 6.8 The Company may sell in such manner as the Board thinks fit any Share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the Share or the person entitled to such Share by reason of his death, bankruptcy, liquidation or otherwise.

*Proceeds of sale of Shares subject to lien*

- 6.9 The net proceeds of sale of Shares subject to a lien (after payment of the costs of

such sale) shall be applied in or towards payment or satisfaction of the debts or liabilities in respect of which the lien exists so far as the same are presently payable and any residue shall (subject to a like lien for liabilities not presently payable as existed upon the Shares prior to the sale) be paid to the person entitled to the Shares at the time of the sale. For giving effect to any such sale the Board may authorise some person to transfer the Shares sold to, or in accordance with the directions, of, the purchaser.

#### *Evidence of forfeiture*

- 6.10 A statutory declaration in writing that the declarant is a Director or the Secretary and that a Share has been duly forfeited or surrendered or sold to satisfy obligations covered by a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated in the declaration as against all persons claiming to be entitled to the Share. Such declaration shall (subject to the execution of a transfer if the same be required) constitute a good title to the Share and the person to whom the Share is sold, re- allotted or disposed of shall be registered as the holder of the Share and shall not be bound to see to the application of the purchase moneys (if any) nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or other disposal of the Share.

## **7. Transfer of Shares**

### *General*

- 7.1 Shares may be transferred by means of an Instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor and, unless the Share is Paid, the transferee.
- 7.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.
- 7.3 The Company may retain any Instrument of transfer which is registered.
- 7.4 The transferor remains the holder of a Share until the transferee's name is entered in the register of members as holder of it.
- 7.5 The Directors may refuse to register the transfer of a Share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.
- 7.6 The Directors shall not register any transfer of Shares in the Company save as expressly permitted by these Articles.

### *Permitted Transfers*

- 7.7 A Shareholder may at any time transfer all (but not some) of his Shares without following the procedure set out in Article 7.8 to 7.22 below provided that such Shareholder has first obtained the consent in writing of the Majority Holder Director(s).

### *Right of Pre-Emption on Transfer of Shares*

- 7.8 Any Vendor who wishes to transfer all or some of his Shares shall deliver a Transfer Notice to the Company at its registered office specifying the number of Sale Shares, the Offer Price (if any) and the third party (if any) to whom it is proposed to transfer the Shares. If an Offer Price is stipulated and either (1) the Board states in writing

that it does not accept the Offer Price or (2) if the Transfer Notice makes no reference to the Offer Price, the Board and the Vendor shall attempt to agree the Offer Price but in the absence of agreement, the Board may instruct the Auditors to certify the Fair Price of the Sale Shares.

- 7.9 The Fair Price shall be determined by the Auditors (acting as experts and not as arbitrators) on the basis of the fair value of the business of the Company, as a going concern at the date on which they are instructed to determine the Fair Price, as between a willing vendor and a willing purchaser and without any account being taken of whether the Sale Shares being sold is a minority or majority Interest in the Company. A Vendor may within fourteen days of the issue of the Auditors' certificate, indicate in writing that he does not accept the Fair Price and that he does not wish to proceed to dispose of the Sale Shares but if the Vendor so indicates he shall bear the full cost of obtaining the Auditors' certificate. In all other circumstances the fees and expenses of the Auditors shall be paid as determined by the Auditors.
- 7.10 If the Directors wish the Company to repurchase some or all of the Sale Shares, and provided the Company and the Parties can comply with the provisions of the Act regarding repurchase of shares, any one of the remaining Shareholders shall give notice (the "Company Repurchase Notice") of that fact to the Vendor, provided that such Company Repurchase Notice is served on the Vendor within 6 months of the date of the Transfer Notice (the "Company Offer Period"). The Company Repurchase Notice shall set out the date for completion of the purchase of the Sale Shares (the "Company Completion Date") and the procedure to be followed by the Directors and the Company in respect thereof, as the Shareholders shall procure.
- 7.11 If all the Sale Shares are not purchased by the Company on the Company Completion Date or if there is not given a Company Repurchase Notice during the Company Offer Period, the Directors shall offer the remaining Sale Shares to the Warehouse subject to the Warehouse being able to comply with any provisions of the Act and these Articles regarding funding of the Warehouse. The Warehouse shall if it wishes to purchase some or all of the remaining Sale Shares give notice of that fact ("Warehouse Purchase Notice") to the Directors within twenty one days of the end of the Company Offer Period or the Company Completion Date, as the case may be (the "Warehouse Offer Period"). The Directors shall on receipt of a Warehouse Purchase Notice send a copy to the Vendor, who on receipt shall be obliged on receipt of the sale price from the Warehouse transfer the Sale Shares specified in the Warehouse Purchase Notice to the Warehouse.
- 7.12 If at the end of the Company Offer Period and the Warehouse Offer Period as the case may be there are any Sale Shares not sold, these shall be offered by the Directors within twenty one days of the expiry of the Company Offer Period and the Warehouse Offer Period as the case may be to such person who may be selected by the Directors provided such offer is made and accepted within twenty one days of the end of the Company Offer Period and the Warehouse Offer Period as the case may be (the "Replacement Offer Period").
- 7.13 If at the end of the Company Offer Period and the Warehouse Offer Period and the Replacement Offer Period as the case may be there are any Sale Shares not sold, these shall be offered by the Directors within seven days thereof to all the other Shareholders other than the Vendor pro rata.
- 7.14 Any Shareholder to whom the offer under Article 7.12 is given who desires an allocation of Sale Shares in excess of that Shareholder's pro rata allocation shall in that Shareholder's reply state how many excess Sale Shares that Shareholder desires to have. If all the Shareholders do not claim their pro rata allocations the

unclaimed Sale Shares shall be applied in satisfying claims for excess Sale Shares in the proportion that those claims are made. If any Sale Shares are not capable, without fractions, of being offered to Shareholders in proportion to their entitlement they shall (to the extent that fractions would arise) be offered to Shareholders in the proportions determined by lots to be drawn under the direction of the Directors.

- 7.15 The Vendor shall be bound to transfer to each purchaser the number of Sale Shares being purchased upon payment by the purchaser of the Offer Price or the Fair Price (as the case may be), which payment shall be made within fourteen days of the acceptance of the Offer Price or determination of the Fair Price (as the case may be).
- 7.16 If in any case the Vendor, after having become bound to sell any Sale Shares, fails to transfer any of them the Company may receive the purchase money which shall be paid into a separate bank account. The Company shall, within a reasonable period, nominate some person to execute an instrument or instruments of transfer of the relevant Sale Shares in the name and on behalf of the Vendor and the Company shall cause the name of the relevant purchaser or purchasers to be entered in the register as the holder or holders of the relevant Sale Shares and shall hold the purchase money in trust for the Vendor but without being liable for interest. The Vendor shall in such case be bound to deliver up the certificate for the Sale Shares to the Company (if one has been issued to him/her) whereupon he/she shall be entitled to receive the purchase price without interest. The receipt of a Director of the Company for the purchase money shall be a good discharge to the purchaser or purchasers and, after his or their names have been entered into the register, the validity of the proceedings shall not be questioned by any person.
- 7.17 If the Directors do not find a purchaser willing to purchase all the Sale Shares the subject of a Transfer Notice, the Vendor shall, at any time within ninety days after that has been determined, be at liberty to sell and transfer the Sale Shares, or those for which the Directors shall not have found a purchaser or purchasers, to any third party named in the Transfer Notice or to any other third party for a cash price payable prior to transfer and being not less than the Offer Price (if any) or the Fair Price, if no Offer Price was specified in the Transfer Notice, subject to the absolute discretion of the Board to refuse to register such transfer.

#### *Drag Along*

- 7.18 If the holders of 50% or more of the Shares in issue for the time being (together the "Selling Shareholders") wish to transfer all (but not some only) of their Shares (together "Selling Shareholders' Shares") to a bona fide third buyer on arm's length terms (the "Proposed Buyer"), the Selling Shareholders may require all other Shareholders (together the "Called Shareholders") to sell and transfer all their Shares (together the "Called Shares") to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of Article 7.19 to Article 7.27 (the "Drag Along Option").
- 7.19 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (a "Drag Along Notice") at any time before the transfer of the Selling shareholders' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Called Shares pursuant to Articles 7.19 to Article 7.27;
  - (b) the person to whom the Called Shares are to be transferred;

- (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share (including any non-cash consideration) offered by the Proposed Buyer for the Selling Shareholders' Shares; and
  - (d) the proposed date of the transfer.
- 7.20 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Selling Shareholders' Shares to the Proposed Buyer within 15 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 7.21 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in Article 7.8 to Article 7.17
- 7.22 Completion of the sale of the Called Shares shall take place on the Completion Date. In this Article 7.22 to 7.27, "Completion Date" means the date proposed for completion of the sale of the Selling Shareholders' Shares unless:
  - (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
  - (b) that date is less than 15 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 30th Business Day after service of the Drag Along Notice.
- 7.23 The proposed sale of the Selling Shareholders' Shares by the Selling Shareholders to the Proposed Buyer is not subject to the rights of pre-emption set out in Article 7.8 to Article 7.17.
- 7.24 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to Article 7.19 (c) to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 7.25 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 7.25 in respect of their Shares.
- 7.26 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with Article 7.24) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee)



has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of shares under this Article 7.26.

- 7.27 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of Article 7.17 to Article 7.26 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place on the Completion Date or immediately upon the New Shareholder becoming a Shareholder of the Company, if later.

*Tag Along*

- 7.28 Except in the case of transfers pursuant to Article 7.7 to Article 7.16, the provisions of Article 7.28 to Article 7.33 shall apply if, in one or a series of related transactions, one or more Shareholders (each a "Seller" and together the "Sellers") propose to transfer any of the Shares (a "Proposed Transfer") which would, if carried out, result in any person (a "Buyer"), and any person acting in concert (as defined in the City Code on Takeovers and Mergers) with the Buyer, acquiring a Controlling Interest in the Company.
- 7.29 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer ("Offer") to:
- (c) the other Shareholders to purchase all of the Shares held by them; and
  - (d) the holders of any existing options to acquire Shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time before the Proposed Transfer; and
  - (e) for a consideration in cash per Share that is at least equal (taking into account the value of any non-cash consideration) to the highest price per Share offered or paid by the Buyer, or any person acting in concert (as defined in the City Code on Takeovers and Mergers) with the Buyer, in the Proposed Transfer or in any related previous transaction in the 3 months preceding the date of the Proposed Transfer (the "Specified Price").
- 7.30 The Offer shall be made by written notice ("Offer Notice"), at least 15 Business Days before the proposed sale date (the "Sale Date"). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
  - (b) the Specified Price and other terms and conditions of payment;
  - (c) the Sale Date; and
  - (f) the number of Shares proposed to be purchased by the Buyer (the "Offer

Shares”).

- 7.31 If the Buyer fails to make the Offer to all of the persons listed in Article 7.29 in accordance with Article 7.30, none of the Sellers shall be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 7.32 If the Offer is accepted by any Shareholder (an “Accepting Shareholder”) in writing within 15 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 7.33 The Proposed Transfer is not subject to the pre-emption provisions set out in Article 7.7 to Article 7.16.

## **8. Transmission of Shares**

### *Persons entitled on death*

- 8.1 On the death of a Shareholder, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person or persons recognised by the Company as having any title to or interest in the Shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any Share held by him.

### *Election by persons entitled by transmission*

- 8.2 Any person becoming entitled to a Share in consequence of the death or bankruptcy of a member or of any other event giving rise by operation of law to such entitlement may (subject as provided in these Articles) upon supplying to the Company such evidence as the Board may reasonably require to show his title to the Share either be registered himself as holder of the Share upon giving to the Company notice in writing of his desire to be so registered or transfer such Share to some other person. If he/she shall elect to have his nominee registered, he/she shall signify his/her election by signing an instrument of transfer of such Share in favour of his nominee. 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 death or bankruptcy of the member or other event had not occurred and the notice or transfer were a transfer executed by such member.

### *Rights of persons entitled by transmission*

- 8.3 Save as otherwise provided by or in accordance with these Articles a person becoming entitled to a Share in consequence of the death or bankruptcy of a member or other event giving rise by operation of law to such entitlement (upon supplying to the Company such evidence as the Board may reasonably require to show his title to the Share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the Share except that he shall not be entitled in respect of such Share (except with the authority of the Board) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the Share. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share and if the notice is not complied with within sixty days the Board may after that withhold payment of all dividends and other moneys payable in respect of the Share until

the requirements of the notice have been complied with.

## **9. General Meetings**

### *Calling of general meetings*

- 9.1 The Board may whenever it thinks fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene a general meeting.

### *Form of resolution*

- 9.2 Subject to the Statutes and unless otherwise expressly provided in these Articles, where for any purpose an Ordinary Resolution of the Company is required, that particular purpose requiring an Ordinary Resolution shall instead be read as requiring a Higher Majority Resolution.

### *Resolution in writing*

- 9.3 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting properly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

## **10. Notice of General Meetings**

### *Length of notice for general meetings*

- 10.1 A general meeting shall be called by not fewer than fourteen days' notice in writing. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held. 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 by a majority in number of the members having a right to attend and vote at that extraordinary general meeting, being a majority together holding not less than 90 per cent in nominal value of the Shares giving that right.
- 10.2 The accidental omission to give notice to or the non-receipt of notice by any person entitled to such notice shall not invalidate any general meeting or any proceedings at such general meeting.

### *Contents of notice of general meetings*

- 10.3 Every notice calling a general meeting shall:
- (a) specify the place and the day and hour of the meeting, and contain a reasonably prominent statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company;
  - (b) in the case of an annual general meeting, specify the meeting as such;
  - (c) in the case of any general meeting at which business other than ordinary business is to be transacted, specify the general nature of such business; and

- (d) if any resolution is to be proposed as a Higher Majority Resolution or as a Special Resolution, set out in full the resolution to be proposed as a Higher Majority Resolution or as a Special Resolution as the case may be.

*Ordinary business*

10.4 Ordinary business in relation to an annual general meeting shall mean:

- (a) receiving or adopting the accounts;
- (b) declaring a dividend;
- (c) reappointing auditors and authorising the Board to fix their remuneration;
- (d) granting, renewing or varying authority under section 551 of the Act or (providing the authority or disapplication terminates no later than fifteen months after the annual general meeting) disapplying section 561 of the Act.

**11. Proceedings at General Meetings**

*Chairman*

11.1 The chairman of the Board (if any), failing whom the deputy chairman (if any), shall preside as chairman at a general meeting. If there is no such chairman or deputy chairman, or if at any meeting neither the chairman nor deputy chairman is present within five 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 one of their number (or, if no Director is present or if all the Directors present decline to take the chair, the persons present and entitled to vote on a poll shall choose one of their number), to be chairman of the meeting.

*Quorum*

11.2 No business other than the appointment of a chairman shall be transacted at any *general* meeting unless a quorum is present at the time when the meeting proceeds to business. Two members present in person or by proxy and entitled to vote at that meeting shall be a quorum for all purposes.

*Adjournment*

11.3 The *chairman* of any general meeting may with the consent of the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or without a date being fixed) 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. Where a meeting is adjourned without a date being fixed, the time and place for any adjourned meeting shall be fixed by the Board.

11.4 When a meeting is adjourned for thirty days or more or without a date being fixed, not fewer than seven days' notice of any adjourned meeting shall be given in the same manner as in the case of the original meeting.

11.5 If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, or if during the meeting a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other

case it shall stand adjourned to such other day (not being fewer than fourteen nor more than twenty-eight days after such meeting) and at such other time or place as the chairman of the meeting may determine and that such adjourned meeting one member present in person or by proxy (whatever the number of Shares held by him) shall be a quorum. The Company shall give not fewer than seven days' notice in writing of any meeting adjourned through want of a quorum and such notice shall state that one member present in person or by proxy (whatever the number of Shares held by him) shall be a quorum.

*Notice of adjourned meeting*

- 11.6 Except as expressly provided in these Articles, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

*Amendments to resolutions*

- 11.7 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:-

- (a) notice of the proposed amendment is given to the Company in Writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the Meeting may determine), and
- (b) the proposed amendment does not, in the reasonable opinion of the chairman of the Meeting, materially alter the scope of the resolution.

- 11.8 A Higher Majority Resolution or a Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if:-

- (a) the chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

- 11.9 If the chairman of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

*Declaration by chairman*

- 11.10 Unless a poll is required a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall in the absence of manifest error, be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

*Demand for poll*

- 11.11 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by:

- (a) the chairman of the meeting;
- (b) not fewer than five members present in person or by proxy and entitled to

vote at the meeting;

- (c) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) a member or members present in person or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

*Withdrawal of demand for poll*

- 11.12 A demand for a poll may be withdrawn at any time before the poll is taken or the close of the meeting, whichever is earlier, but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

*Procedure on a poll*

- 11.13 If a poll is required, it shall be taken in such a manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

*Timing of poll*

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

*Continuing the meeting after a demand for a poll*

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

## **12. Votes of Members**

*Votes attaching to shares*

- 12.1 Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any Shares or class of Shares, on a show of hands every member who is present in person shall have one vote and 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.

*Chairman's casting vote*

- 12.2 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 not be entitled to a casting vote.

*Votes of joint holders*

- 12.3 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.

*Votes by guardian*

- 12.4 Where in the United Kingdom or elsewhere a guardian, receiver, curator bonis or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder or being otherwise incapable of managing his affairs, the Board may in its absolute discretion, upon or subject to production of such evidence of the appointment as the Board may require, permit such guardian, receiver, curator bonis or other person on behalf of such member to vote in person or by proxy at any general meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

*No voting rights where calls outstanding*

- 12.5 No member shall, unless the Board otherwise determines, be entitled, in respect of any Share held by him, to vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of that Share remains unpaid.

*Validity and result of vote*

- 12.6 No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 12.7 Unless a poll is taken a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

*Voting on a poll*

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

**13. Proxy**

*Proxy need not be a member*

- 13.1 A proxy need not be a member of the Company.

*Form of proxy*

- 13.2 An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Board may approve and:

- (a) in the case of an individual shall be signed by the appointor or by his attorney; and
- (b) in the case of a corporation shall be either given under its common seal or signed on its behalf by an officer, attorney or other person authorised to sign it.

*Signature on proxy*

- 13.3 The signature on an instrument appointing a proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy of such letter or power of attorney must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the following article, failing which the instrument may be treated as invalid.

*Deposit of form of proxy*

- 13.4 An instrument appointing a proxy must be left at the Registered Office or such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting no fewer than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. An instrument of proxy relating to more than one meeting (including any adjournment of such meeting) having once been so delivered for the purposes of any meeting shall not have to be delivered again for the purposes of any subsequent meeting to which it relates.

*Rights of proxy*

- 13.5 An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting, except with the permission of the chairman of the meeting. The instrument shall, unless the contrary is stated on such instrument, be valid as well for any adjournment of the meeting as for the meeting to which it relates. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting at the meeting or poll convened.

*Revocation of proxy*

- 13.6 A vote cast or demand for a poll made by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made unless written notice of such death, insanity or revocation shall have been received by the Company at the Registered Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

**14. Corporations acting by representatives**

- 14.1 Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the



Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purpose of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at such meeting.

## 15. **Directors**

### *Number of Directors*

15.1 Subject as provided in these Articles the Directors shall not be fewer than 2.

### *Directors' remuneration*

15.2 Directors may undertake any services for the Company that the Directors decide.

15.3 Directors are entitled to such remuneration as the Directors determine:-

- (a) for their services to the Company as Directors, and
- (b) for any other service which they undertake for the Company.

15.4 Subject to the Articles, a Director's remuneration may:-

- (a) take any form, and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.

15.5 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.

15.6 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

### *Directors' expenses*

15.7 The Board may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Board or of any committee of the Board or shareholders' meetings or otherwise in connection with the business of the Company.

### *Directors' pensions and other benefits*

15.8 The Board shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

### *Appointment of executive Directors*

15.9 The Board may from time to time appoint one or more of their body to be the holder of (any executive office (including, where considered appropriate, the office of

chairman or deputy chairman) on such terms and for such period as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.

*Ceasing to be a Director*

- 15.10 The appointment of any Director to the office of chairman or deputy chairman or chief executive or managing or joint managing or deputy or assistant managing Director shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company. The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

*Powers of executive Directors*

- 15.11 The Board may entrust to and confer upon any Director holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

**16. Appointment and retirement of Directors**

*Power of Company to appoint Directors*

- 16.1 Subject to the provisions of these Articles, the Company may by Higher Majority Resolution appoint any person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board.

*Power of Board to appoint Directors*

- 16.2 Without prejudice to the power of the Company pursuant to any of the provisions of these Articles to appoint any person to be a Director, the Board may appoint any person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board.

*Majority Holder Director*

- 16.3 Each Majority Holder shall have the right to appoint and maintain one person (including himself) as Director of the Company and of any Subsidiary and to remove from office any such Director so appointed by him and appoint another in their place. Any such Director so appointed shall be called a Majority Holder Director. At the Adoption Date, each Majority Holder is appointed as his Majority Holder Director.

*Age limit*

- 16.4 Any provision of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment or election as a Director or liable to vacate office as a Director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment or election of any Director over a specified age, shall not apply to the Company.

#### *Vacation of office*

- 16.5 The office of a Director shall be vacated if:
- (a) he ceases to be a Director by virtue of any provision of the Statutes or he becomes prohibited by law from being a Director;
  - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (c) he is, or may be suffering from mental disorder and either:
    - (i) 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
    - (ii) 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;
  - (d) he resigns by writing under his hand left at the Registered Office or he offers in writing to resign and the Board resolves to accept such offer; or
  - (e) he shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated.

#### *Removal of Director*

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

### **17. Meetings and proceedings of Directors**

#### *Convening of meetings of Directors*

- 17.1 Subject to the provisions of these Articles the Board may meet together for the despatch of business, adjourn and otherwise regulate their proceedings as they think fit. At any time any Director may, and the Secretary at the request of a Director shall, summon a meeting of the Board. It shall not be necessary to give notice of a meeting of the Board to any Director for the time being absent from the United Kingdom. Any Director may waive notice of any meeting and any such waiver may be retroactive.

#### *Quorum*

- 17.2 The quorum necessary for the transaction of business of the Board may be fixed

from time to time by the Board and unless so fixed at any other number shall be two to include both of the Majority Holder Directors. A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

*Chairman*

- 17.3 The Board may elect from their number a chairman and a deputy chairman (or two or more deputy chairmen) and determine the period for which each is to hold office. If no chairman or deputy chairman shall have been appointed or if at any meeting of the Board no chairman or deputy chairman shall be present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

*Deputy chairman*

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

*Casting vote*

- 17.5 Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall not have a second or casting vote.

*Transactions or other arrangements with the Company*

- 17.6 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:-

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such contract or proposed contract in which he is interested;
- (c) shall be entitled to vote at a meeting of Directors or of a committee of the Directors, or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (e) may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and

(f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

17.7 For the purposes of Article 17.6 to Article 17.9, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.

17.8 Subject to Article 17.9, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any Director other than the chairman is to be final and conclusive.

17.9 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

*Number of Directors below minimum*

17.10 The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors or Director may act for the purpose of filling such vacancies or of summoning general meetings, but not for any other purpose. If there are no Directors or Director able or willing to act,

then any two members may summon a general meeting for the purpose of appointing Directors.

*Written resolutions*

17.11 A resolution in writing signed by all the Directors entitled to vote on that resolution shall be as valid and effectual as a resolution duly passed at a meeting of the Board and may consist of several documents (including a telex, facsimile, electronic mail, cable or telegram) each accurately stating the terms of the resolution and each signed by or emanating from one or more Directors.

*Validity of proceedings*

17.12 All acts done by any meeting of the Board, or of any committee of the Board, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of those persons so acting, or that any such persons 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 member of the committee and had been entitled to vote.

*Telephone meetings*

17.13 Any Director may participate in a meeting of Directors by means of a conference telephone or similar communications system whereby all those participating in the meeting can hear and address each other. Such participation shall be deemed to constitute presence in person at such meeting for all purposes including that of establishing a quorum. A meeting held by such means shall be deemed to take place where the largest group of participators in number is assembled. In the absence of such a majority the location of the chairman shall be deemed to be the place of the meeting.

*Directors' conflicts of interest*

17.14 The Directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid conflicts of interest (a "Conflict").

17.15 Any authorisation under Article 17.14 will be effective only if:-

- (a) the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
- (b) any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and
- (c) the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.

17.16 Any authorisation of a Conflict under Article 17.14 may (whether at the time of giving the authorisation or subsequently):-

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
- (b) be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and
- (c) be terminated or varied by the Directors at any time.

This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.

17.17 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:-

- (a) disclose such information to the Directors or to any Director or other officer or employee of the Company; or
- (b) use or apply any such information in performing his duties as a Director, where to do so would amount to a breach of that confidence.

17.18 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director:-

- (a) is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;
- (b) is not given any documents or other information relating to the Conflict; and
- (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.

17.19 Where the Directors authorise a Conflict:-

- (a) the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict, and
- (b) the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation.

17.20 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## **18. Committees of the Directors**

### *Appointment and constitution of committees*

18.1 The Board may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to committees consisting of one or more Directors and (if thought fit) one or more other named persons or person to be co-opted as hereinafter provided. Insofar as any such power or discretion is delegated to a committee, any reference in these Articles to the exercise by the Board of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise of such power or discretion by such committee. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Board. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and may provide for members who are not Directors to have voting rights as members of the committee but so that the number of members who are not Directors shall be fewer than one-half of the total number of members of the committee.

### *Proceedings of committee meetings*

18.2 The meetings and proceedings of any such committee consisting of two or more persons shall (with necessary changes only) be governed by the provisions of these Articles regulating the meetings and proceedings of the Board, so far as the same

are not superseded by any regulations made by the Board under the last preceding article.

## **19. Powers of Directors and decision making**

### *General powers*

19.1 The business and affairs of the Company shall be managed by the Board, who may pay all expenses incurred in forming and registering the Company, and may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in general meeting subject nevertheless to any regulations of these Articles, to the provisions of the Statutes and to such regulations as may be prescribed by special resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The general powers given by this article shall not be limited or restricted by any special authority or power given to the Board by any other article.

### *Shareholders' reserve power*

19.2 The Shareholders may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action.

19.3 No such Special Resolution invalidates anything which the Directors have done before the passing of the resolution.

### *Directors to take decisions collectively*

19.4 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 19.6.

19.5 If:-

(a) the Company only has one Director for the time being, and

(b) no provision of the Articles requires it to have more than one Director,

the general rule does not apply, and the Director may (for so long as he remains the sole Director) take decisions without regard to any of the provisions of the Articles relating to Directors' decision-making.

### *Unanimous decisions*

19.6 A decision of the Directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

19.7 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.

19.8 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at such a meeting.



## **22. Alternate Directors**

- 22.1 Any Director may at any time by writing under his hand and deposited at the Registered Office, or delivered at a meeting of the Board, appoint any person (including another Director) to be his alternate Director and may in like manner at any time terminate such appointment, Such appointment, unless previously approved by the Board or unless the appointee is another Director, shall have effect only upon and subject to being approved by the Board.
- 22.2 The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director, otherwise than by retirement at a general meeting at which he is re-elected.
- 22.3 An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Board and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director (or shall attend any such meeting as an alternate for more than one Director), his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum. If his appointor is for the time being temporarily unable to act through ill health or disability his signature to any resolution in writing of the Board shall be as effective as the signature of his appointor. To such extent as the Board may from time to time determine in relation to any committees of the Board the foregoing provisions of this article shall also apply with necessary changes only to any meeting of any such committee of which his appointor is a member. An alternate Director shall not (save as aforesaid) have power to act as a Director, nor shall he be deemed to be a Director for the purposes of these Articles, nor shall he be deemed to be the agent of his appointor.
- 22.4 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent with necessary changes only as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

## **23. Secretary**

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors.

## **24. Provision for Employees**

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

## **25. Untraceable members**

- 25.1 The Company shall be entitled to cease sending dividend warrants by post if such warrants have been returned undelivered or left uncashed, provided that this power may not be exercised until either such warrants have been so returned or left uncashed on two consecutive occasions or, following one such occasion, reasonable enquiries have failed to establish any new address of the registered holder.
- 25.2 The Company shall be entitled to sell at the best price reasonably obtainable at the time of sale the Shares of a member or the Shares to which a person is entitled by transmission on death or bankruptcy or otherwise by operation of law provided that this power may not be exercised unless:
- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in sub-paragraph (b) (or, if published on different dates, the first date) no communication has been received by the Company from the member or the person entitled by transmission and no cheque or warrant sent by the Company in respect of the Shares has been cashed and no fewer than three dividends in respect of the Shares have become payable and no dividend in respect of those Shares has been claimed;
  - (b) the Company shall on expiry of such period of 12 years have inserted advertisements in both a national daily newspaper and in a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected in the manner authorised by these Articles is located giving notice of its intention to sell the Shares;
  - (c) during such period of 12 years and the period of three months following the publication of such advertisements, the Company shall have received no communication from such member or person; and
  - (d) if the Company has any of its securities admitted to the Official List of the London Stock Exchange notice shall have been given to the London Stock Exchange of its intention to make such sale.
- 25.3 To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said Shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder or person entitled by transmission on death or bankruptcy or otherwise by operation of law to such Shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating to the transfer. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled for a sum equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such sum which shall be a permanent debt of the Company. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than Shares of the Company or its holding company if any) as the Board may from time to time think fit.

## **26. Borrowing powers**

The Board may exercise all the powers of the Company to borrow money, to give guarantees and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

## **27. The Seal**

- 27.1 The Board shall provide for the safe custody of the common seal of the Company which shall not be used without the authority of the Board or of a committee authorised by the Board in that behalf.
- 27.2 Every instrument to which the common seal of the Company shall be affixed shall be signed by one Director and the Secretary or by two Directors save that as regards any certificates for Shares or debentures or other securities of the Company the Board may by resolution determine that such signature or either of them be dispensed with or affixed by some method or system of mechanical signatures.
- 27.3 Any instrument signed by one Director and the Secretary or by two Directors and expressed to be executed by the Company shall have the same effect as if executed under the common seal of the Company, provided that no instrument which makes it clear on its face that it is intended to have effect as a deed shall be so signed without the authority of the Board or of a committee authorised by the Board in that behalf.
- 27.4 The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Board.

## **28. Authentication of documents**

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any book, record, document or account relating to the business of the Company and to certify copies or extracts of such resolution, book, record, document or account as true copies or extracts, and if any resolution, book, record, document or account is elsewhere than at the Registered Office the local manager or other officer of the Company having the custody of them shall be deemed to be a person appointed by the Board. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or any committee, which is certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith of such certified copy 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.

## **29. Reserves**

### *Establishment of reserves*

- 29.1 The Board may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Board, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Board may divide the reserve into such special funds as they think fit and may consolidate into one fund any special

funds or any parts of any special funds into which the reserve may have been divided. The Board may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same, the Board shall comply with the provisions of the Statutes.

*Business bought as from past date*

- 29.2 Subject to the provisions of the Statutes, where any asset, business or property is acquired by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses arising from such asset, business or property as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. If any Shares or securities are purchased with the next dividend or interest payment accruing to the purchaser, such dividend or interest may at the discretion of the Board be treated as revenue, and it shall not be obligatory to capitalise the same or any part of such dividend or interest.

**30. Dividends**

*Final dividends*

- 30.1 The Company may by Higher Majority Resolution declare dividends but no such dividends shall exceed the sum recommended by the Board.

*Interim dividends*

- 30.2 In so far as in the opinion of the Board, the profits the Company justify such payments, the Board may declare and pay the fixed dividends on any class of Shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment of such dividends and may also from time to time declare and pay interim dividends on Shares of any class of such sums and on such dates and in respect of such periods as it thinks fit. Provided the Directors act in good faith they shall not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any Shares having deferred or nonpreferred rights.

*Ranking of shares for dividend*

- 30.3 Unless and to the extent that the rights attached to any Shares or the terms of issue of such Shares otherwise provide, all dividends shall (as regards any Shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the sums paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, For the purposes of this article no sum paid on a Share in advance of calls shall be treated as paid on the Share.

*No dividend except out of profits*

- 30.4 No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

*No interest on dividends*

- 30.5 No dividend or other moneys payable on or in respect of a Share shall bear interest as against the Company.

*Retention of dividends*

- 30.6 The Board may retain any dividend or other moneys payable on or in respect of a Share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- 30.7 The Board may retain the dividends payable upon Shares in respect of which any person is under the provisions as to the transmission of Shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such Shares or shall transfer the same.

*Waiver of dividend*

- 30.8 The waiver in whole or in part of any dividend on any Share by any document (whether or not executed as a deed) shall be effective only if such document is signed by the holder of such Share (or the person becoming entitled to the Share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

*Unclaimed dividend*

- 30.9 The payment by the Board of any unclaimed dividend or other moneys payable on or in respect of a Share into a separate account shall not constitute the Company a trustee in respect of such unclaimed dividend or other moneys and any dividend unclaimed after a period of twelve years from the date the dividend became due for payment shall be forfeited and shall revert to the Company.

*Distribution in specie*

- 30.10 The Company may upon the recommendation of the Board by Higher Majority Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up Shares or debentures of any other Company) and the Board shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular:
- (a) may issue fractional certificates;
  - (b) may fix the value for distribution of such specific assets or any part of such specific assets;
  - (c) may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties; and
  - (d) may vest any such specific assets in trustees as may seem expedient to the Board.

*Manner of payment of dividends*

- 30.11 Any dividend or other moneys payable in cash on or in respect of a Share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled to such dividend or other moneys (or, if two or more persons are registered as joint holders of the Share or are entitled to such Share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event, to any one of such persons) or to such person and such address as such member or person or persons may in writing direct. Every

such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the Share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented by such cheque or warrant.

- 30.12 Subject to the provisions of these Articles and to the rights attaching to any Shares, any dividend or other moneys payable on or in respect of a Share may be paid in such currency as the Board may determine.

*Joint holders*

- 30.13 If two or more persons are registered as joint holders of any Share, or are entitled jointly to a Share in consequence of the death, bankruptcy or mental disorder of the holder or otherwise by operation of law or any other event, any one of them may give effectual receipts for any dividend or other money payable or property distributable on or in respect of the Share.

*Record date for dividends*

- 30.14 Any resolution declaring a dividend on Shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable to the persons registered as the holders of such Shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and upon that date the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights among themselves in respect of such dividend of transferors and transferees of any such Shares.

**31. Capitalisation of profits and reserves**

- 31.1 The Board may, with the sanction of a Higher Majority Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve, or other undistributable reserve) or any sum standing to the credit of profit and loss account.
- 31.2 Such capitalisation shall be effected by appropriating such sum to the holders of Ordinary Shares on the Register at the close of business on the date of the resolution (or such other date as may be specified in such resolution or determined as provided in such resolution) in proportion to their holdings of Ordinary Shares and applying such sum on their behalf in paying up in full unissued Ordinary Shares (or, subject to any special rights previously conferred on any Shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them in proportion to their holdings.
- 31.3 The Board may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Board to make such provision as it thinks fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit of such fractional entitlements accrues to the Company rather than to the members concerned). The Board may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental to such capitalisation and any

agreement made under such authority shall be effective and binding on all concerned.

## **32. Accounts**

### *Accounting records*

- 32.1 Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Registered Office, or at such other place as the Board thinks fit, and shall always be open to inspection by the officers of the Company. No member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or these Articles or as ordered by a court of competent jurisdiction or as authorised by the Board.

### *Copies of accounts for members*

- 32.2 A copy of every balance sheet and profit and loss account which is to be laid before a general meeting of the Company (including every document required by law to be comprised in such balance sheet and profit and loss account or attached or annexed to such balance sheet and profit and loss account) shall no fewer than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Statutes or of these Articles. Provided that this Article shall not require a copy of these documents to be sent to any member to whom a summary financial statement is sent in accordance with the Statutes nor to more than one of joint holders nor 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 Registered Office.

## **33. Auditors**

### *Validity of auditor's acts*

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

### *Auditor's rights to attend general meetings*

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

## **34. Notices**

### *Service of notices*

- 34.1 Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the

service of notices, or by delivering it to such address addressed as aforesaid. In the case of a member registered on a branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained.

- 34.2 Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty-four hours (or, where second-class mail is employed, forty-eight hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.
- 34.3 The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.
- 34.4 A member present either in person or by proxy, at any meeting of the Company or the holders of any class of Shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purpose for which it was called.

*Joint holders*

- 34.5 Any notice given to that one of the joint holders of a Share whose name stands first in the Register in respect of the Share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices shall be disregarded.

*Deceased and bankrupt members*

- 34.6 A person entitled to a Share in consequence of the death, bankruptcy or mental disorder of a member or by operation of law or any other event upon supplying to the Company such evidence as the Board may reasonably require to show his title to the Share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy or other event would be entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the Share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company have notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any Share registered in the name of such member as sole or first-named joint holder.

*Overseas members*

- 34.7 A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company.

*Suspension of postal services*

- 34.8 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable to convene a general meeting effectively by notices sent through the post, a general meeting may be convened by a notice advertised on the same date in no fewer than one national daily



newspaper with appropriate circulation and such notice shall be deemed to have been duly served on all members entitled to such notice at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

*Statutory requirements as to notices*

- 34.9 The provisions in these Articles regarding the serving of notices and other documents are subject to any requirements in the Statutes that a particular offer, notice or other document be served in any particular manner.

**35. Destruction of documents**

The Company may destroy:

- (a) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (b) any variation or cancellation of any dividend mandate at any time after the expiry of two years from the date such variation or cancellation was recorded by the Company;
- (c) any notification of change of name or address at any time after the expiry of two years from the date such notification was recorded by the Company;
- (d) any instrument of transfer of Shares which has been registered at any time after the expiry of six years from the date of registration; and
- (e) any other document on the basis of which any entry in the Register is made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it,

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed under this article was a valid and effective document in accordance with the recorded particulars of that document in the books or records of the Company, Provided always that:

- (i) the foregoing provisions of this article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- (ii) nothing contained in this article shall be construed as imposing upon the Company any liability in respect of the destruction of any document earlier than as stated in this article or in any case where the conditions of proviso (i) are not fulfilled; and
- (iii) references in this article to the destruction of any document include references to its disposal in any manner.

## **36. Winding up**

### *Director's power to petition*

- 36.1 The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

### *Distribution of assets in specie*

- 36.2 If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the liquidator may, with the authority of a Higher Majority Resolution and subject to any provision sanctioned in accordance with the provisions of the Insolvency Act 1986, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose 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 of different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any Shares or other property in respect of which there is a liability. The liquidator may make any provision referred to in, and sanctioned in accordance with the provisions of the Insolvency Act 1986.

## **37. Indemnity**

- 37.1 Subject to the provisions of and so far as may be consistent with the Statutes, every Director, auditor, Secretary or other officer of the Company shall be indemnified by the Company out of its own funds against and exempted by the Company from all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.
- 37.2 Without prejudice to the preceding article the Board shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of any Relevant Company (as defined in the following article) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.
- 37.3 For the purpose of the preceding article "Relevant Company" shall mean the Company, any holding company of the Company or any other body, whether or not

incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any Subsidiary undertaking of the Company or of such other body.

**38. Means of communication to be used**

- 38.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company.
- 38.2 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:-
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
  - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
  - (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article, no account shall be taken of any part of a day that is not a working day.

- 38.3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.
- 38.4 Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 38.5 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.