

Company Number: 1492207

**The Companies Act 1985
Public Company Limited by Shares**

ARTICLES OF ASSOCIATION
of
Ai CLAIMS SOLUTIONS PLC
(adopted by Special Resolution passed on
20 December 1999 and incorporating all
changes up to and including 6 December 2007)

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NTMB/AI37-1

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THE COMPANIES ACT 1985
PUBLIC COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF
Ai CLAIMS SOLUTIONS PLC
(the “Company”)

PRELIMINARY

1 INTERPRETATION

(1) In these Articles, except where the subject or context otherwise requires, the following words bear the following meanings:

“**the 2006 Act**” the Companies Act 2006.

“**Acts**” subject to Paragraph (3) of this Article, the Companies Act 1985 and any provision of the 2006 Act for the time being in force.

“**these Articles**” these articles of association as amended from time to time.

“**Auditors**” the auditors for the time being of the Company.

“**Board**” the Directors or any of them acting as the board of directors of the Company.

“**Clear days**” the period excluding the day when a notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

“**Crest**” means the relevant system operated by Crestco Limited in terms of the Uncertified Securities Regulations which enables title to shares or other securities to be evidenced and transferred without a written instrument.

“**Deferred Shares**” the deferred shares of 22.5p each in the Capital of the Company;

“**Director**” a director of the Company.

“**executed**” any mode of execution.

“**Holder**” in relation to any shares means the member whose name is entered in the register as the holder of such shares.

“**London Stock Exchange**” London Stock Exchange Limited.

“**Memorandum**” the memorandum of association of the Company as amended from time to time.

“**Office**” the registered office of the Company.

“**Paid**” paid or credited as paid.

“Recognised Person” a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designed as mentioned in section 185(4) of the Act.

“Register” the register of Members of the Company.

“Seal” the common seal (if any) of the Company and an official seal (if any) kept by the Company by virtue of section 40 of the Act or either of them as the case may require.

“Secretary” the secretary of the Company and includes a joint, assistant, deputy or temporary secretary and any other person appointed by the Board to perform the duties of the secretary.

“Uncertificated Securities Regulations” means the Uncertificated Securities Regulations 1995 insofar as the same applies to the Company and includes any applicable rules made under those Uncertificated Securities Regulations or subordinate legislation for the time being in force.

- (2) Save as aforesaid and unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Act.
- (3) Except where otherwise expressly stated, reference in these Articles to any statute or provision of a statute includes a reference to any statutory modification or reenactment of it and statutory instruments, regulations and orders made pursuant to it for the time being in force.
- (4) In these Articles, unless the context otherwise requires:
 - (a) words in the singular include the plural and vice versa;
 - (b) words importing any gender include all genders; and
 - (c) reference to a person includes a reference to a body corporate and to an unincorporated body of persons.
- (5) In these Articles:
 - (a) references to writing include references to typewriting, printing, lithography, photography and any other modes of representing or recording words in a legible and non transitory form;
 - (b) references to **“other”** and **“otherwise”** shall not be construed ejusdem generis where a wider construction is possible;
 - (c) references to a power are to a power of any kind, whether administrative, discretionary or otherwise; and
 - (d) references to a committee of the Board are to a committee established in accordance with these Articles, whether or not comprised wholly of Directors.

- (6) Headings are inserted for convenience only and do not affect the construction of these Articles.
- (7) The regulations contained in Table A do not apply to the Company.
- (8) A reference to shares in “**uncertificated form**” means shares, the title to which is recorded in the register of members as being held in such form and which by virtue of the Uncertificated Securities Regulations may be transferred by means of a relevant system and reference to shares in “**certificated form**” means shares, the title to which is not and may not be so transferred.

SHARE CAPITAL

2 SHARE CAPITAL

- (1) The authorised share capital of the Company is £5,744,052 divided into 45,000,000 Ordinary Shares of 10p each and 5,529,118 Deferred Shares of 22.5p each.
- (2) Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or, if the Company does not so determine, as the Board may determine).
- (3) Subject to the provisions of the Act and these Articles the unissued shares of the Company (whether forming part of the original or any increased capital) shall be under the control of the Board who may allot and dispose of or grant options over or otherwise dispose of them to such persons at such times and generally on such terms as the Directors think fit.
- (4) Subject to the provisions of the Act, and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued which is or is to be liable to be redeemed at the option of the Company or the Holder, on such terms and in such manner as the Company before the issue of the shares may by special resolution determine.

3 COMMISSIONS

The Company may exercise all powers of paying commissions or brokerage conferred by the Act to any person in consideration of such person subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company. Any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

4 TRUSTS NOT RECOGNISED

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by these Articles or by law) the

Company shall not be bound by or recognise any interest in any share or in any fractional part of a share except an absolute right to the entirety thereof in the Holder.

VARIATION OF RIGHTS

5 METHOD OF VARYING RIGHTS

Subject to the provisions of the Act, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the Holders of the shares of the class (but not otherwise). To every such separate meeting the provisions of these Articles relating to general meetings shall apply except that the necessary quorum at any such meeting shall be two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question and at an adjourned meeting shall be one person holding shares of the class in question or his proxy and that any holder of shares of the class in question present in person or by proxy may demand a poll. The foregoing provisions of this Article shall apply to the variation of the rights attached to some only of the shares of any class as if the shares concerned and the remaining shares of such class formed separate classes.

6 WHEN RIGHTS DEEMED TO BE VARIED

For the purposes of this Article, unless otherwise expressly provided by the rights attached to any shares or class of shares, those rights shall be deemed to be varied by the reduction of the capital paid up on those shares and by the creation or issue of further shares ranking in priority for payment of a dividend or in respect of capital or which confer on the holders voting rights more favourable than those conferred by such first mentioned shares, but shall otherwise not be deemed to be varied by the creation or issue of further shares ranking *pari passu* with, or subsequent to, such first mentioned shares or by the redemption or purchase by the Company of any of its own shares.

SHARE CERTIFICATES

7 MEMBERS' RIGHTS TO CERTIFICATES

- (1) Every Holder (other than a Recognised Person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) shall be entitled, without payment, to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the Board may from time to time determine. Every

certificate shall be issued under the Seal or bearing an imprint or representation of the Seal or such other form of authentication as the Board may determine and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be sufficient delivery to all of them.

(2) Notwithstanding the terms of Articles 7 and 8, where, in accordance with the terms of Article 7(3), any shares or other securities of the Company are issued, transferred, registered or otherwise dealt with in uncertificated form, any references in these Articles requiring title to shares or other securities to be evidenced by or transferred by reference to share certificates or other form of written instrument shall not apply and the holding, transfer, recording of title to and, registration of, uncertificated securities issued by the Company will be governed by reference to the provisions of Article 7(3).

(3)

(a) Nothing in these Articles shall preclude any share or other security of the Company from being issued, held, registered, converted, transferred or otherwise dealt with in an uncertificated form in accordance with the Uncertificated Securities Regulations and any rules or requirements laid down from time to time by Crest or any other relevant system operated pursuant to the Uncertificated Securities Regulations.

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

1. the Company shall not be obliged to issue a certificate evidencing title to shares and all references to a certificate in respect of any shares or securities held in Uncertificated form in these Articles shall be deemed inapplicable, to such shares or securities which are in Uncertificated form and furthermore shall be interpreted as a reference to such form of evidence of title to Uncertificated shares or securities as the Uncertificated Securities Regulations prescribe or permit;
2. the registration of title to and transfer of any shares or securities in an uncertificated form shall be effected in accordance with the Uncertificated Securities Regulations and there shall be no requirement for a written instrument of transfer;
3. a properly authenticated dematerialised instruction given in accordance with the Uncertificated Securities Regulations shall be given effect in accordance with the Uncertificated Securities Regulations;
4. any communication required or permitted by these Articles to be given by a person to the Company may be given in accordance with and in any manner

(whether or not in writing) prescribed or permitted by the Uncertificated Securities Regulations;

5. if a situation arises where any provision of these Articles is inconsistent in any respect with the terms of the Uncertificated Securities Regulations in relation not shares or securities of the Company which are in an uncertificated form then:
 - (A) the Uncertificated Securities Regulations will be given effect thereto in accordance with their terms;
 - (B) the directors shall have power to implement any procedures they may think fit and as may accord with the Uncertificated Securities Regulations for the recording and transferring of title to shares and securities in uncertificated form and for the regulation of those proceedings and persons responsible for or involved in their operation; and
 - (C) the directors shall have the specific powers to elect, without further consultation with the holders of any shares or securities of the Company (except where such shares or securities are constituted by virtue of some other deed, document or other source) that any single or all classes of shares and securities of the Company become capable of being traded in uncertificated form in accordance with the Uncertificated Securities Regulations on Crest or any other operator of a relevant system.

8 REPLACEMENT CERTIFICATES

If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity (with or without security) and payment of any exceptional out-of-pocket expenses reasonably incurred by the Company in investigating evidence and preparing the requisite form of indemnity as the Board may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

LIEN

9 COMPANY TO HAVE LIEN ON SHARES

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that share. The Board may at any time (generally or in particular cases) waive any lien or declare any share to be wholly or in part exempt from the provisions of this Article.

The Company's lien on a share shall extend to any amount (including dividends) payable in respect of it.

10 ENFORCEMENT OF LIEN BY SALE

The Company may sell, in such manner as the Board may determine, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the Holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the Holder or otherwise by operation of law, demanding payment and stating that if the notice is not complied with the shares may be sold.

11 GIVING EFFECT TO SALE

To give effect to any such sale the Board may authorise some person to execute an instrument of transfer of the share sold to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

12 APPLICATION OF PROCEEDS

The net proceeds of sale, after payment of the costs, shall be applied in or towards payment or satisfaction of so much of the sum in respect of which the lien exists as is presently payable. Any residue shall (upon surrender to the Company for cancellation of the certificate for the share sold and subject to a like lien for any moneys not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

CALLS ON SHARES

13 POWER TO MAKE CALLS

Subject to the terms of allotment, the Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may be revoked in whole or part and the time fixed for payment of a call may be postponed in whole or part as the Board may determine. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

14 TIME WHEN CALL MADE

A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

15 LIABILITY OF JOINT HOLDERS

The joint Holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16 INTEREST PAYABLE

If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the Board may waive payment of such interest wholly or in part.

17 DEEMED CALLS

An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.

18 DIFFERENTIATION ON CALLS

Subject to the terms of allotment, the Board may differentiate between the Holders in the amounts and times of payment of calls on their shares.

19 PAYMENT OF CALLS IN ADVANCE

The Board may, if it thinks fit; receive from any member willing to advance the same all or any part of the moneys unpaid upon any shares -held by him (beyond any sums actually called up) and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made. The Company may pay upon all or any of the moneys so advanced (until the same would but for such advance become presently payable) interest at such rate as may be agreed upon between the Board and such member, provided however that the payment of any amount in advance of calls shall not entitle such member to participate in respect of such amount in any dividend declared after the payment but before the call.

FORFEITURE AND SURRENDER

20 FORFEITURE FOR NON-COMPLIANCE

If a call or any instalment of a call remains unpaid in whole or, in part after it has become due and payable, the Board may give to the person from whom it is due not less than fourteen clear days' notice in writing requiring payment of the amount unpaid together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited. If any such notice is not complied with, any share in respect of which it was given may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the Board and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture. Forfeiture shall be deemed to occur at the time of the passing of the said resolution of the Board. The Board may accept a surrender of any share liable to be forfeited hereunder. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before the forfeiture the Holder of the share, and an entry of the forfeiture or surrender, with the date thereof, shall forthwith be made in the register opposite the entry of the share, but no forfeiture shall be invalidated by any omission or neglect to give such notice or to make such entries.

21 SALE OF FORFEITED SHARES

Subject to the provisions of the Act a forfeited or surrendered share shall be deemed to belong to the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board may determine, either to the person who was before the forfeiture the Holder or to any other person, and at any time before sale, re- allotment or other disposal, the forfeiture or surrender may be cancelled on such terms as the Board thinks fit. Where for the purposes of its disposal a forfeited or surrendered share is to be transferred to any person the Board may authorise some person to execute an instrument of transfer of the share to that person.

22 LIABILITY FOLLOWING FORFEITURE

A person, any of whose shares have been forfeited or surrendered, shall cease to be a member in respect of those shares and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest thereon at the rate at which interest was payable on those moneys before the forfeiture or surrender or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment, but the Board may waive payment wholly

or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal.

23 **EVIDENCE OF FORFEITURE**

A statutory declaration by a Director or the Secretary that a share has been forfeited or surrendered or sold to satisfy a lien of the Company on a specified date shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, allotment or disposal thereof together with the share certificate delivered to the purchaser or the allottee thereof shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall be registered as the Holder of the share and shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity in, or invalidity of, the proceedings relating to the forfeiture, surrender or disposal of the share.

TRANSFER OF SHARES

24 **FORM AND EXECUTION OF TRANSFER**

The instrument of transfer of a share may be in any usual form or in any other form which the Board may approve. The instrument of transfer shall be executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee.

25 **RESTRICTIONS ON TRANSFER**

The Board may, in its absolute discretion and without giving any reason, refuse to register the transfer of a share which is not fully paid provided that such refusal does not permit dealings in such shares from taking place on an open and proper basis.

26 **INVALID TRANSFERS**

The Board may also refuse to register the transfer of a share unless the instrument of transfer:

- (a) is lodged, duly stamped, at the Office or at such other place as the Board may appoint and (except in the case of a transfer by a Recognised Person where a certificate has not been issued in respect of the share) is accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (b) is in respect of only one class of shares; and
- (c) is in favour of not more than four transferees.

27 **NOTICE OF REFUSAL TO REGISTER**

If the Board refuses to register a transfer, it shall within two months after the date on which the instrument of transfer was lodged with the Company send to the transferee notice of the refusal.

28 **SUSPENSION OF REGISTRATION**

The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the Board may from time to time determine.

29 **NO FEE PAYABLE ON REGISTRATION**

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.

30 **RETENTION OF TRANSFERS**

The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register (except in the case of fraud) shall be returned to the person lodging it when notice of the refusal is given.

31 **RENUNCIATION OF ALLOTMENTS**

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

TRANSMISSION OF SHARES

32 **TRANSMISSION**

If a member dies, the survivor or survivors where such member was a joint Holder, or the personal representatives of such member where such member was a sole Holder or the only survivor of joint Holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing in this Article shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him with other persons.

33 **ELECTIONS**

A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law may, upon such evidence being produced as the Board may properly require, elect either to become the Holder of the share or to have some person nominated by him registered as the transferee but the Board shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of that share by that member before his death or bankruptcy, as the case may be.

If such person elects to become the Holder he shall give notice to the Company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to any such notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member or other event giving rise to the transmission had not occurred.

34 **RIGHTS OF PERSONS ENTITLED BY TRANSMISSION**

A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law shall, upon such evidence being produced as the Board may properly require, as to such entitlement, have the same rights in relation to the share as he would have had if he were the Holder of the share, and may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not, before being registered as the Holder of the share, be entitled in respect of it to receive notice of or to attend or vote at any meeting of the Company or to receive notice of or to attend or vote at any separate meeting of the Holders of any class of shares in the Company.

35 **NOTICE GIVEN UNDER SECTION 793 OF THE 2006 ACT**

(1) If a member, or any other person appearing to be interested in shares held by that member, has been given a notice under section 793 of the 2006 Act and has failed in relation to any shares (the "**default shares**") to give to the Company the information thereby required within 14 days from the date of giving the notice, the following sanctions shall apply, unless the Board otherwise determines:

(a) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at separate meeting of the Holders of any class of shares or on any poll; and

(b) where the default shares represent at least 0.25 per cent of their class:

1. any dividend payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the member shall not be entitled to elect, pursuant to these Articles, to receive shares instead of that dividend; and

2. no transfer, other than an excepted transfer, of any shares held by the member shall be registered unless:

(A) the member is not himself in default as regards supplying the information required; and

(B) the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

(2) Where the sanctions under paragraph (1) of this Article apply in relation to any shares, they shall cease to have effect at the end of the period of seven days (or such shorter period as the Board may determine) following the earlier of:

- (a) receipt by the Company of the information required by the notice mentioned in that paragraph; and
- (b) receipt by the Company of notice that the shares have been transferred by means of an excepted transfer

and the Board may suspend or cancel any of the sanctions at any time in relation to any shares.

(3) Any new shares in the Company issued in right of default shares shall be subject to the same sanctions as apply to the default shares, and the Board may make any right to an allotment of the new shares subject to sanctions corresponding to those which will apply to those shares on issue provided that any sanctions applying to, or to a right to, new shares by virtue of this paragraph shall cease to have effect when the sanctions applying to the related default shares cease to have effect (and shall be suspended or cancelled if and to the extent that the sanctions applying to the related default shares are suspended or cancelled) and provided further that paragraph (1) of this Article shall apply to the exclusion of this paragraph if the Company gives a separate notice under section 793 of the 2006 Act in relation to the new shares.

(4) Where, on the basis of information obtained from a member in respect of any share held by him, the Company gives a notice under section 793 of the 2006 Act to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of paragraph (1) of this Article.

(5) For the purposes of this Article:

- (a) a person, other than the member holding a share, shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a notice under section 793 of the 2006 Act, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
- (b) **“interested”** shall be construed as it is for the purpose of section 793 of the 2006 Act;
- (c) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes (i) reference to his having failed or refused to give all or any part of it and (ii) reference

to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;

- (d) an excepted transfer means, in relation to any shares held by a member:
1. a transfer pursuant to acceptance of a takeover offer (within the meaning in section 974 of the 2006 Act) in respect of shares in the Company; or
 2. a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services Act 2000) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or
 3. a transfer which is made in consequence of a sale of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.
- (6) Nothing in this Article shall limit the powers of the Company under section 793 of the 2006 Act or any other power of the Company whatsoever.

STOCK

36 CONVERSION OF SHARES INTO STOCK

The Company may from time to time by ordinary resolution convert any fully paid up shares into stock and may reconvert any stock into fully paid up shares of any denomination.

37 TRANSFERS OF STOCK

A holder of stock may transfer it or any part of it in the same manner and subject to the same provisions of these Articles as would have applied to the shares from which the stock arose if they had not been converted or as near thereto as circumstances admit but the Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of such minimum, but the minimum shall not, without the sanction of an ordinary resolution of the Company, exceed the nominal amount of each of the shares from which the stock arose.

38 RIGHTS OF HOLDERS OF STOCK

A holder of stock shall, according to the amount of the stock held by him, have the same rights as regards dividends, voting at general meetings of the Company and other matters as if he held the shares from which the stock arose, but no such right (except as to participation in dividends and in assets on a reduction of capital or a winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right.

39 **MEANING OF STOCK**

All the provisions of these Articles applicable to paid up shares shall apply to stock, and the word “share” shall include “stock” and the words “member” and “Holder” shall include “stockholder”.

ALTERATION OF SHARE CAPITAL

40 **ALTERATIONS PERMITTED BY ORDINARY RESOLUTION**

The Company may by ordinary resolution:

Increase of Capital

- (a) increase its share capital by such sum to be divided into new shares of such amount as the resolution shall prescribe;

Consolidation and Division

- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

Sub Division

- (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum and the resolution may determine that, as between the shares resulting from the subdivision, any of them may have any preference or advantage as compared with the others; and

Cancellation

- (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

41 **POWER TO REDUCE CAPITAL**

Subject to the provisions of the Act, the Company may by Special Resolution from time to time reduce its share capital, any capital redemption reserve and any share premium account, in any way.

42 **NEW SHARES SUBJECT TO THESE ARTICLES**

All new shares shall be subject to the provisions of these Articles with reference to payment of calls, lien, forfeiture, transfer, transmission and otherwise, and, unless otherwise provided by these Articles, by the resolution creating the new shares or by the conditions of issue, the new shares shall be unclassified shares.

43 FRACTIONS ARISING ON CONSOLIDATION

Whenever as a result of a consolidation or sub-division and consolidation of shares any members would become entitled to fractions of a share, the Board may deal with such fractions as it may determine and in particular sell to any person (including, subject to the provisions of the Act, the Company) the shares representing the fractions for the best price reasonably obtainable and pay and distribute the net proceeds of sale in due proportion among those members so entitled. The Board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The purchaser 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 in relation to the sale.

PURCHASE OF OWN SHARES

44 PURCHASE OF OWN SHARES

Subject to the provisions of the Act, the Company may purchase its own shares, including redeemable shares.

GENERAL MEETINGS

45 TYPES OF GENERAL MEETING

All meetings of shareholders of the Company other than annual general meetings shall be called general meetings.

46 CONVENING GENERAL MEETINGS

The Board may call general meetings whenever and at such times and places as it shall determine and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting in accordance with the requirements of the Act. If at any time there are not within the United Kingdom sufficient Directors to call a general meeting, any Director may call a general meeting.

NOTICE OF GENERAL MEETINGS

47 PERIOD OF NOTICE

Subject to the provisions of the Act, an annual general meeting shall be called by at least twenty-one clear days' notice. All general meetings shall be called by at least fourteen clear days' notice.

48 PERSONS ENTITLED TO BE GIVEN NOTICE

Subject to the provisions of these Articles and to any rights or restrictions attached to any shares, the notice shall be given to all the members (excluding holders of Deferred Shares),

to all persons entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law, to each of the Directors and to the Auditors.

49 CONTENTS OF NOTICE

The notice shall specify the day, time and place of the meeting and the general nature of the business to be transacted and in the case of an annual general meeting shall specify the meeting as such.

50 ACCIDENTAL OMISSION TO GIVE NOTICE

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

51 QUORUM

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as otherwise herein provided two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

52 IF QUORUM NOT PRESENT

If such a quorum is not present within fifteen minutes after the time appointed for the meeting, the meeting, if convened on the requisition of or by members, shall be dissolved. In any other case it shall stand adjourned to such day (not being less than fourteen days nor more than twenty-eight days thence) at such time and place as the Board may determine and if at such adjourned meeting a quorum is not present within fifteen minutes after the time appointed for the meeting the member or members present in person or by proxy and entitled to vote shall form a quorum and have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. The Company shall give not less than seven clear days notice of any meeting adjourned for want of a quorum and the notice shall state that the member or members present as aforesaid shall form a quorum and shall have the power aforesaid.

53 CHAIRMAN

The Chairman, if any, of the Board or, in his absence, the Deputy Chairman, or in the absence of both of them some other Director nominated by the Board shall preside as chairman of the meeting, but if neither the Chairman nor the Deputy Chairman nor such other Director (if any) is present within fifteen minutes after the time appointed for holding the meeting and willing to act the Directors present shall elect one other member present to be

chairman and, if there is only one Director present and willing to act, he shall be chairman. If no Director is willing to act as chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present in person or by proxy and entitled to vote, provided they are sufficient in number to authorise the meeting to proceed, shall elect, by a majority of votes, one of their number to be chairman.

54 DIRECTORS ENTITLED TO SNEAK

A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.

55 ADJOURNMENTS

Without prejudice to any other power of adjournment the chairman of the meeting may have under these Articles or at common law, he may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. In addition, the chairman may adjourn the meeting to another time and place without such consent if it appears to him that it is likely to be impracticable to hold or continue that meeting because of the number of members wishing to attend who are not present. When a meeting is adjourned for twenty-one days or more or for an indefinite period, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

56 AMENDMENTS TO RESOLUTIONS

If an amendment shall be proposed to any resolution under consideration but shall be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. With the consent of the chairman of the meeting, an amendment may be withdrawn by its proposer before it is voted upon. In the case of a resolution duly proposed as a special or extraordinary resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

57 METHODS OF VOTING

A resolution put to the vote of a meeting shall be decided on a show of hands unless before or on the declaration of the result of a show of hands or on the withdrawal of any other demand for a poll, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least two members having the right to vote at the meeting; or
- (c) any member or members 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) any member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid upon on all the shares conferring that right

and a demand by a person as proxy for a member shall be the same as a demand by the member.

58 DECLARATION OF RESULT

Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

59 WITHDRAWAL OF DEMAND FOR POLL

The demand for a poll may, before the poll is taken, be withdrawn 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. If the demand for a poll is withdrawn, the chairman or any other member entitled may demand a poll.

60 CONDUCT OF POLL

Except as otherwise provided in these Articles a poll shall be taken in such manner as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

61 CHAIRMAN'S CASTING VOTE

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to any other vote he may have.

62 WHEN POLL TO BE TAKEN

A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time (not being more than thirty days after the date of the meeting or adjourned meeting at which the poll is demanded) and place as the chairman may direct. The demand for a poll

shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

63 NOTICE OF POLL

No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

64 EFFECTIVENESS OF SPECIAL AND EXTRAORDINARY RESOLUTIONS

Where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective and where for any purpose an extraordinary resolution is required a special resolution shall also be effective.

VOTES OF MEMBERS

65 RIGHT TO VOTE

- (1) Subject to any special rights or restrictions for the time being attached to any class of shares:
- (a) on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative who is not himself a member entitled to vote, shall have one vote;
 - (b) on a poll every member shall be entitled to one vote in respect of each share on which he is the Holder.
- (2) The holders of Deferred Shares shall have no right to receive notice of or to attend or vote at any general meeting of the Company and irrevocably agree to the cancellation and extinguishment of the Deferred Shares in accordance with a resolution of the Company passed on the date these Articles were adopted.

66 VOTES OF JOINT HOLDERS

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

67 MEMBER UNDER INCAPACITY

A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may

vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

68 CALLS IN ARREARS

No member shall, unless the Board otherwise determines, be entitled to be present or to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, or on a poll, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.

69 ERRORS IN VOTING

No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, any vote except at the meeting or adjourned meeting or poll at which the vote objected to is tendered. Subject to any objection made in due time, every vote counted and not disallowed at such meeting shall be valid and every vote disallowed or not counted shall be invalid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

70 SUPPLEMENTARY PROVISIONS ON VOTING

On a poll votes may be given either personally or by proxy or (in the case of a corporate member) by a duly authorised representative. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

PROXIES AND CORPORATE REPRESENTATIVES

71 APPOINTMENT OF PROXY

An instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney or, if the appointor is a corporation, either under its common seal or the hand of a duly authorised officer, attorney or other person authorised to sign it.

72 FORM OF PROXY

Instruments of proxy shall be in any usual form or in any other form which the Board may approve (which shall include provision for two-way voting) and the Board may, if it thinks fit, but subject to the provisions of the Act, at the Company's expense send out with the notice of any meeting forms of instrument of proxy for use at the meeting. Delivery of an instrument

appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. A member may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.

73 DELIVERY OF FORM OF PROXY

The instrument appointing a proxy and any power of attorney or other authority under which it is executed or a materially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of that power or authority shall:

- (a) be deposited at the Office or at such other place as is specified in or by way of note to the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary or to any Director

and an instrument of proxy which is not so deposited or delivered shall be invalid.

74 VALIDITY OF FORM OF PROXY

The instrument of proxy shall be deemed also to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. For the purposes of these Articles a demand for a poll made by a person as proxy for a member or as the duly authorised representative of a corporate member shall be the same as a demand made by a member. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

75 INVITATIONS TO APPOINT PROXIES

The Board may at the Company's expense send instruments of proxy to the members by post or otherwise (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the Holders of any class of shares, either in blank or nominating in the alternative any one or more of the Directors or any other person. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote at it. The accidental omission to send such an instrument or give such an invitation to, or the non-

receipt thereof by, any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.

76 **CORPORATE REPRESENTATIVES**

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 at any separate meeting to the Holders of any class of shares. Except as otherwise provided in these Articles, the person so authorised shall be entitled to exercise the same power on behalf of the corporation as the corporation could exercise if it were an individual member of the Company and the corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it.

77 **REVOCAION OF AUTHORITY**

A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office, or at such other place at which the instrument of proxy was duly deposited, at least one hour before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

NUMBER OF DIRECTORS

78 **LIMITS ON NUMBER OF DIRECTORS**

Unless otherwise determined by the Company by ordinary resolution, the number of Directors (other than alternate directors) shall be not less than two nor more than seven.

79 **ROTATION AND RETIREMENT OF DIRECTORS**

At the Annual General meeting in every year there shall retire from office by rotation:

- (a) all Directors who at the start of the Annual General Meeting have been in office for three years or more since their last appointment or re appointment; and
- (b) if the number of Directors retiring under (a) above is less than one third of the Directors or, if their number is not three or a whole multiple of three, less than the number (the “**rounded number**”) which is nearest to but does not exceed one third, such additional number of Directors as shall together with the Directors retiring under (a) above equal one third of the Directors or, if applicable the rounded number.

Subject to the provisions of the Act and these Articles, the Directors to retire under sub-article (b) of Article 79 shall be those who have been longest in office since their last appointment or

re-appointment, but as between persons who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A Director retiring at a meeting as aforesaid shall retain office until the end of that meeting. A retiring Director shall be eligible for re-election.

80 RETIRING DIRECTOR TO REMAIN IN OFFICE UNTIL SUCCESSOR APPOINTED

If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the Director is put to the meeting and lost.

81 ELIGIBILITY FOR ELECTION

No person other than a Director retiring at the meeting shall be appointed or reappointed a Director at any general meeting unless:

- (a) he is recommended by the Board; or
- (b) not less than seven nor more than forty-two clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting (not being the person to be proposed) has been given to the Company of the intention to propose that person for appointment or reappointment stating the particulars which would, if such person were so appointed, be required to be included in the Company's register of Directors, together with notice signed by that person of his willingness to be appointed or reappointed.

82 SEPARATE RESOLUTIONS ON APPOINTMENT

Except as otherwise authorised by the Act, the appointment of any person proposed as a Director shall be effected by a separate resolution.

83 ADDITIONAL POWERS OF THE COMPANY

Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, and may also determine the rotation in which any additional Directors are to retire.

84 APPOINTMENT BY BOARD

The Board may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed the number, if any, fixed by or in accordance with these Articles as the maximum number of Directors. A Director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the

Directors who are to retire by rotation at such meeting. If not reappointed at such annual general meeting, he shall vacate office at the end of that meeting.

85 NO SHARE QUALIFICATION

A Director shall not be required to hold any shares of the Company by way of qualification.

ALTERNATE DIRECTORS

86 POWER TO APPOINT ALTERNATES

Any Director (other than an alternate director) may appoint any other Director, or any other person approved by the Board and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.

87 ALTERNATES ENTITLED TO RECEIVE NOTICE

An alternate director shall (unless he is absent from the United Kingdom) be entitled to receive notice of all meetings of the Board and of all meetings of committees of the Board of which his appointor is a member, to attend and vote at any such meeting at which his appointor is not personally present, and generally to perform all the functions of his appointor (except as regards power to appoint an alternate) as a Director in his absence.

88 ALTERNATES REPRESENTING MORE THAN ONE DIRECTOR

A Director or any other person may act as alternate director to represent more than one Director, and an alternate director shall be entitled at meetings of the Board or any committee of the Board to one vote for every director whom he represents (and who is not present) in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

89 EXPENSES AND REMUNERATION OF ALTERNATES

An alternate director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a Director but shall not (unless the Company by ordinary resolution otherwise determines) be entitled to receive any remuneration from the Company in respect of his services as an alternate director. An alternate director shall be entitled to be indemnified by the Company to the same extent as if he were a Director.

90 TERMINATION OF APPOINTMENT

An alternate director shall cease to be an alternate director:

- (a) if his appointor ceases to be a Director; but, if a Director retires by rotation or otherwise but is reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his appointment; or

- (b) on the happening of any event which, if he were a Director, would cause him to vacate his office as Director; or
- (c) if he resigns his office by notice to the Company.

91 METHOD OF APPOINTMENT AND REVOCATION

Any appointment or removal of an alternate director shall be by notice to the Company executed by the Director making or revoking the appointment or in any other manner approved by the Board.

92 ALTERNATE NOT AN AGENT OF APPOINTOR

Save as otherwise expressly provided in these Articles, an alternate director shall be deemed for all purposes to be a Director and, accordingly, except where the context otherwise requires, references to a Director shall be deemed to include a reference to an alternate director. An alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director, appointing him.

POWERS OF THE BOARD

93 BUSINESS TO BE MANAGED BY BOARD

Subject to the provisions of the Act, the Memorandum and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company. No alteration of the Memorandum or these Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board by these Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

94 BORROWING POWERS

Subject to the remaining provisions of this Article the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (in each case present and future) and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures, debenture stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings, if any, so as to secure (but as regards subsidiary undertakings only in so far as by the exercise of such rights or powers of control the Board can secure) that the aggregate nominal or principal amount (including any fixed or minimum premium payable on final

repayment) for the time being outstanding (whether or not due or payable) of all borrowings by the Group (exclusive of borrowings owing by one member of the Group to another member of the Group, other than amounts to be taken into account under Paragraphs (3)(e) and (f) of this Article) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to three times the Adjusted Capital and Reserves.

For the purpose of the foregoing restriction:

- (1) **“the Adjusted Capital and Reserves”** the aggregate from time to time of:
 - (a) the amount paid up or credited as paid up on the issued share capital of the Company; and
 - (b) the amount standing to the credit of the reserves of the Group (including any share premium account, capital redemption reserve and any credit balance on profit and loss account (after deducting any debit balance thereon));

all as shown in the then latest audited consolidated balance sheet of the Group but after deducting therefrom (to the extent included) any amounts attributable to goodwill or other intangible assets, any amounts distributed or proposed to be distributed to persons other than the Company or any of its subsidiary undertakings (but not provided in such latest audited consolidated balance sheet), sums set aside for taxation and amounts attributable to outside shareholders in subsidiary undertakings of the Company and making adjustments to reflect any variation in the amount of such paid up share capital, share premium account or capital redemption reserve since the date of such audited balance sheet or any change since that date in the companies comprising the Group;
- (2) in this Article:
 - (a) **“Group”** the Company and its subsidiary undertakings (if any); and
 - (b) **“Subsidiary undertaking”** has the same meaning as in the Act;
- (3) for the purposes of this Article the expression **“borrowings”** includes the following (except insofar as otherwise taken into account):
 - (a) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed moneys (together in each case with any fixed or minimum premium payable on final repayment), the beneficial interest whereof is not for the time being owned by a member of the Group, of any body whether corporate or unincorporate and the payment or repayment whereof is the subject of a guarantee or indemnity by a member of the Group;
 - (b) the principal amount (together with any fixed or minimum premium payable on final repayment) of any debenture (whether secured or unsecured) of a member of the Group being a debenture owned otherwise than by a member of the Group;

- (c) the principal amount raised by acceptances under any acceptance credit opened on behalf of and in favour of any member of the Group by any bank or accepting house other than acceptances relating to the purchase of goods or services in the ordinary course of trading and outstanding for three months or less;

but:

- (d) borrowings for the purposes of repaying the whole or any part of borrowings by a member of the Group for the time being outstanding (including any fixed or minimum premium payable on final repayment) and so to be applied within six months of being so borrowed shall, pending their application for such purpose within such period, be deemed not to be borrowings;
 - (e) borrowings by a partly-owned subsidiary undertaking and not owing to another member of the Group shall (notwithstanding Paragraph (a)) be taken into account subject to the exclusion of a proportion of it equal to the minority proportion, and borrowings owing to a partly-owned subsidiary undertaking by another member of the Group shall (subject to paragraph (f)) be taken into account to the extent of a proportion of it equal to the minority proportion (and for the purpose of this subparagraph “**minority proportion**” means the proportion of the issued equity share capital of the partly-owned subsidiary undertaking which is not attributable, directly or indirectly, to the Company); and
 - (f) in the case of borrowings owing to a partly-owned subsidiary undertaking by another partly-owned subsidiary undertaking the proportion which would otherwise be taken into account under paragraph (e) shall be reduced by excluding such part of it as is equal to the proportion of the issued equity share capital of the borrowing subsidiary undertaking which is not attributable, directly or indirectly, to the Company;
- (4) in calculating the aggregate amount of borrowings for the purpose of this Article, borrowings by any member of the Group denominated or repayable in a currency other than sterling shall be treated as converted into sterling:
- (a) at the rate of exchange used for the conversion of that currency in the latest audited balance sheet of that member; or
 - (b) if no rate was so used, at the middle market rate of exchange prevailing in London at the close of business on the date of that balance sheet,
- but if the amount in sterling resulting from conversion at that rate would be greater than that resulting from conversion at the middle market rate prevailing in London at the close of business on the business day immediately preceding the day on which the calculation falls to be made, the latter rate shall apply instead;
- (5) no debt incurred or security given in respect of borrowings in excess of the above limit shall be invalid or ineffectual except in the case of express notice to the tender or the recipient of

the security at the time when the debt was incurred or security given that the limit hereby imposed has been or was thereby exceeded, but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed;

- (6) in this article references to a consolidated balance sheet account of the Group are to be taken:
- (a) in a case where the Company had no subsidiary undertakings at the relevant time, as references to the balance sheet of the Company;
 - (b) in a case where the Company had subsidiary undertakings at the relevant time but there are no consolidated accounts of the Group, as references to the respective balance sheets of the companies comprising the Group; and
 - (c) in a case where the Company had subsidiary undertakings at the relevant time, one or more of which has, in accordance with the Act, been excluded from consolidation, as references to the consolidated balance sheet of the Company and those of its subsidiary undertakings included in the consolidation.

95 **CHEQUES ETC.**

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

96 **DELEGATION OF BOARD'S POWERS**

- (1) The Board may delegate any of their powers:
- (a) to any Managing Director, any Director holding any other executive office or any other Director;
 - (b) to any committee consisting of one or more Directors and (if thought fit) one or more other persons, but a majority of the members of the committee shall be Directors and no resolution of the committee shall be effective unless a majority of those present when it is passed are Directors; and
 - (c) to any local board or agency for managing any of the affairs of the Company either in the United Kingdom or elsewhere.
- (2) Any such delegation (which may include authority to sub-delegate all or any of the powers delegated) may be subject to any conditions the Board impose and either collaterally with or to the exclusion of their own powers and may be revoked or varied. The power to delegate under this Article, being without limitation, includes power to delegate the determination of any fee, remuneration or other benefit which may be paid or provided to any Director; and the scope of the power to delegate under paragraphs (a), (b) or (c) of paragraph (1) of this Article

shall not be restricted by reference to or inference from any other of those paragraphs. Subject as aforesaid, the proceedings of any committee, local board or agency with two or more members shall, be governed by such of these Articles as regulate the proceedings of the Board so far as they are capable of applying.

97 **AGENTS**

The Board may, by power of attorney or otherwise, appoint any person or persons, whether nominated directly or indirectly by the Board, to be the agent or agents of the Company for such purposes, and subject to such conditions as they think fit and may delegate any of their powers to such an agent. Any such appointment may be subject to such provisions for the protection and convenience of persons dealing with the agent as the Board may think fit and the Board may revoke or vary such appointment or delegation and may also authorise the agent to sub-delegate all or any of the powers vested in him.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

98 **DISQUALIFICATION**

The office of a Director shall be vacated if:

- (a) he ceases to be a Director by virtue of any provisions of the Act or these Articles or he becomes prohibited by law from being a director; or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) he is, or may be, suffering from mental disorder and either:
 - 1. 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 1984; or
 - 2. 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 any person to exercise powers with regard to his property or affairs; or
- (d) he resigns his office by notice in writing to the Company; or
- (e) in the case of a Director who holds executive office his appointment as such is terminated or expires and the Board resolves that his office be vacated; or
- (f) he is absent for more than six consecutive months without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated; or
- (g) he is requested in writing by all the other Directors to resign.

99 **POWER OF COMPANY TO REMOVE DIRECTOR**

The Company may, in accordance with and subject to the provisions of the Act, by ordinary resolution of which special notice has been given or by extraordinary resolution or by special 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, by ordinary resolution, appoint another person in place of a Director so removed from office. The person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed or reappointed as Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

DIRECTORS' REMUNERATION

100 **DIRECTORS' FEES**

The Directors (other than alternate directors) shall be paid such fees (if any) for their services in the office of director as the Board may determine (not exceeding in aggregate the sum of £70,000 per annum or such larger amount as the Company may by ordinary resolution determine) divided between the Directors as they agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of fees related to the period during, which he has held office. The fees shall be deemed to accrue from day to day and shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any Director pursuant to any other provision of these Articles.

101 **ADDITIONAL REMUNERATION FOR SPECIAL SERVICES**

Any Director who is appointed to any executive office or who serves on any committee of the Board or who devotes special attention to the business of the Company or who otherwise performs special services which in the opinion of the Board go beyond the scope of the ordinary duties of a Director may be paid such additional remuneration (whether by way of salary, bonus, commission, participation in profits or otherwise) as the Board may determine.

DIRECTORS' EXPENSES

102 **DIRECTORS' EXPENSES**

The Directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board or general meetings or separate meetings of the Holders of any class of shares or otherwise in connection with the discharge of their duties as Directors.

DIRECTORS' APPOINTMENTS AND INTERESTS

103 APPOINTMENT TO EXECUTIVE OFFICE

The Board may appoint one or more of their number to be the holder of any executive office (except that of auditor) under the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Subject to the provisions of the Act, any such appointment, agreement or arrangement may be made upon such terms, including terms as to remuneration, as the Board think fit. The Board may revoke or vary any such appointment but without prejudice to any rights or claims which the person whose appointment is revoked or varied may have against the Company by reason thereof.

104 TERMINATION OF APPOINTMENT TO EXECUTIVE OFFICE

Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any rights or claims which he may have against the Company by reason of such termination. A Director appointed to an executive office shall not ipso facto cease to be a Director if his appointment to such executive office terminates.

105 DIRECTORS' INTERESTS

Subject to the provisions of the Act and provided that he has disclosed to the Board the nature and extent of any material interest of his, a Director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) 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;
- (c) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (d) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate

and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

106 NOTIFICATION OF INTERESTS

For the purposes of the foregoing Article:

- (a) a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

107 **EXERCISE BY COMPANY OF VOTING RIGHTS**

The Board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing its members or any of them directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate).

GRATUITIES, PENSIONS AND INSURANCE

108 **GRATUITIES AND PENSIONS**

The Board may (by the establishment or maintenance of schemes or otherwise) provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present Director or employee of the Company or any of its subsidiaries or any body corporate associated with, or any business acquired by, any of them, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit provided that, except with the approval of an ordinary resolution of the Company, no such benefit shall be provided to any such Director who has not held employment or executive office under the Company or any of its subsidiaries or to any person who has no claim except through such a Director.

109 **INSURANCE**

The Board shall have the power to purchase and maintain insurance at the expense of the Company for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary of the Company or any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or any such other company or subsidiary 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 the Company or any such other company, subsidiary or pension fund.

PROCEEDINGS OF DIRECTORS

110 CONVENING MEETINGS

Subject to the provisions of these Articles, the Board may regulate its proceedings as it thinks fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Board. Notice of a Board meeting shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board meetings shall during his absence be sent in writing to him at an address given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to Directors not so absent and, if no such request is made to the Board, no such notice need be given. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. Any Director may waive notice of meeting and any such waiver may be retrospective.

111 QUORUM

No business shall be transacted at any meeting of the Board unless a quorum is present. The quorum may be fixed by the Board and, unless so fixed at any other number, shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Any Director who ceases to be a Director at a Board Meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no Director objects. A meeting of the Board (or a committee of the Board) at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board (or by such committee as the case may be).

112 POWER OF DIRECTORS IF NUMBER FALLS BELOW MINIMUM

The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but if the number of Directors is less than the minimum number fixed by or in accordance with these Articles or the number fixed as the quorum, the continuing Directors or Director may act for the purpose of filling up vacancies or any such deficiency in their number, or of calling a general meeting of the Company, but not for any other purpose.

113 **CHAIRMAN AND DEPUTY CHAIRMAN**

The Board may appoint one of their number to be the chairman, and one of their number to be the deputy chairman, of the Board and may at any time remove either of them from such office. Unless he is unwilling to do so, the Director appointed as chairman, or in his stead the Director appointed as deputy chairman, shall preside at every meeting of the Board at which he is present. If there is no Director holding either of those offices, or if neither the chairman nor the deputy chairman is willing to preside or neither of them is present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.

114 **VALIDITY OF ACTS OF THE BOARD**

All acts done by a meeting of the Board, or of a committee of the Board, or by a person acting as a Director or alternate director, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or any member of the committee or alternate director* or that any of them were disqualified from holding office, 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, as the case may be, an alternate director and had been entitled to vote.

115 **RESOLUTIONS IN WRITING**

A resolution in writing executed by all the Directors entitled to receive notice of a meeting of the Board or (as the case may be) of a committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held and for this purpose:

- (a) a resolution may consist of several documents in the like form each executed by one or more Directors;
- (b) a resolution executed by an alternate director need not also be executed by his appointor; and
- (c) a resolution executed by a Director who has appointed an alternate director need not also be executed by the alternate director in that capacity.

116 **MEETINGS BY TELEPHONE**

A meeting of the Board may consist of a conference between Directors who are not all in one place, but of whom each is able (direct or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously, A Director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if

there is no such group, where the chairman of the meeting then is. The word “meeting” in these Articles shall be construed accordingly.

117 **DIRECTORS' POWER TO VOTE ON CONTRACTS IN WHICH THEY ARE INTERESTED**

Except as otherwise provided by these Articles, a Director shall not vote at a meeting of the Board or a committee of the Board on any resolution concerning any contract, arrangement or proposal whatsoever in which he (together with any person connected with him) has, directly or indirectly, a material interest (other than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company) unless his interest arises only because the case falls within one or more of the following paragraphs:

- (a) the resolution relates to the giving to him of a guarantee, security or indemnity in respect of money lent by him to, or an obligation incurred by him at the request of or for the benefit of, the Company or any of its subsidiaries;
- (b) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility (in whole or part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (c) his interest arises in relation to the subscription or purchase by him of shares, debentures or other securities of the Company pursuant to an offer or invitation to members or debenture holders of the Company, or any class of them, or to the public or any section of the public;
- (d) his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares, debentures or other securities of or by the Company or any of its subsidiaries for subscription, purchase or exchange;
- (e) the resolution relates to a transaction or arrangement with any other body corporate in which he is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise howsoever, provided that he (together with any person connected with him) is not the holder of or beneficially interested in one per cent or more of any class of the equity share capital of such body corporate (or of any other body corporate through which his interest is derived) and not entitled to exercise one per cent or more of the voting rights available to members of the relevant body corporate (and for the purposes of calculating the said percentage there shall be disregarded any shares held by the Director as a bare or custodian trustee and in which he has no beneficial interest, and any shares comprised in any authorised unit trust scheme in which the Director is interested only as a unit holder);
- (f) the resolution relates to an arrangement for the benefit of employees of the Company or any of its subsidiaries, including but not limited to a superannuation fund,

retirement benefits scheme or employees share scheme, under which he may benefit and which relates to both Directors and employees and which does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom the arrangement relates;

- (g) any proposal concerning any insurance which the Company is empowered to purchase or maintain for or for the benefit of any Directors of the Company or for persons who include Directors of the Company or any other insurance which the Company is empowered to purchase or maintain for or for the benefit of any groups of persons consisting of or including Directors of the Company.

For the purposes of this Article, an interest of a person who is, for any purpose of the Act, connected with a Director shall be treated as an interest of the Director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

118 APPOINTMENT OF DIRECTORS

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

119 EXCLUSION OF DIRECTOR FROM QUORUM

A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

120 AMENDMENT OF RESTRICTIONS ON VOTING.

The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a Director from voting at a meeting of the Board or of a committee of the Board, or ratify any transaction not duly authorised by reason of a contravention of any such provision.

121 DECISION OF CHAIRMAN FINAL AND CONCLUSIVE

If a question arises at a meeting of the Board or of a committee of the Board as to the entitlement of a Director to vote or be counted in a quorum, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relating to any Director other than himself shall be final and conclusive. If any such question arises in

respect of the chairman of the meeting, it shall be decided by resolution of the Board (on which the chairman shall not vote) and such resolution will be final and conclusive.

SECRETARY

122 APPOINTMENT AND REMOVAL OF SECRETARY

- (1) Subject to the provisions of the Act, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any Secretary so appointed may be removed by the Board.
- (2) The Board may from time to time appoint one or more assistant, alternate, deputy or temporary secretaries ("**an Assistant**") at such remuneration and upon such conditions as it may think fit.
- (3) The Board may delegate some 'or all of its powers to appoint and fix the remuneration of such Assistant and such delegation may be subject to any conditions that the Board may impose.
- (4) The Board may authorise an Assistant to act in place of the Secretary in respect of any or all of the powers of the Secretary at such time, for such period and upon such conditions as it may think fit (irrespective of whether the Secretary is absent or otherwise).
- (5) The Board may also empower the Secretary to delegate all or any of the Secretary's powers to an Assistant, at such time, for such period and upon such conditions as it thinks fit.
- (6) Any Secretary, including an Assistant, may be removed by the Board. The removal of any Secretary under this Article shall be without prejudice to any claim that such Secretary may have for compensation or damages for breach of any agreement that such Secretary may have with the Company.

MINUTES

123 MINUTES REQUIRED TO BE KEPT

- (1) The Board shall cause minutes to be made in books kept for the purpose:
 - (a) of all appointments of officers made by the Board;
 - (b) of the names of the Directors present at each meeting of the Board and of any committee of the Board; and
 - (c) of all proceedings at all meetings of the Company, of the holders of any class of shares in the Company, of the holders of any debentures issued by the Company, of the Board, and of committees of the Board.
- (2) It shall not be necessary for the Directors present at any meeting of the Board or any committee of the Board to sign their names in the Minute book or other book kept for recording attendance. Any minutes, if purporting to be signed by the Chairman of the meeting at which the proceedings were had, or by the chairman of the next succeeding meeting, shall

be receivable as prima facie evidence of the matters stated in such minutes without any further proof.

THE SEAL

124 AUTHORITY REQUIRED FOR USE OF SEAL

The Seal shall only be used by the authority of a resolution of the Board or of a committee of the Board. The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by at least one Director and the Secretary or by at least two Directors.

125 CERTIFICATES FOR SHARES AND DEBENTURES

The Board may by resolution determine either generally or in any particular case that any certificates for shares or (subject to the provisions of any instrument constituting the same) debentures or representing any other form of security to which the Seal is affixed may have signatures affixed to them by some mechanical means, or printed thereon or that such certificates need not bear any signature.

126 OFFICIAL SEAL FOR USE ABROAD

The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad.

AUTHENTICATION OF DOCUMENTS

127 CERTIFIED COPIES

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 resolutions passed by the Company or the holders of any class of shares of the Company or the Board or any committee of the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or the minutes of or an extract from the minutes of a meeting of the Company or the holders of any class of shares of the Company or of the Board or any committee of the Board that is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

DIVIDENDS

128 DECLARATION OF DIVIDENDS

- (1) Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board.
- (2) The holders of Deferred Shares shall have no right to receive any dividend or other distribution whether of capital or income.

129 INTERIM DIVIDENDS

Subject to the provisions of the Act, the Board may declare and pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Board may declare and pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be declared or paid on shares carrying deferred or non-preferred rights if, at the time of declaration or payment, any preference dividend is in arrear. The Board may also declare and pay at intervals settled by it any dividend payable at a fixed rate if it appears to the Board that the profits available for distribution justify the payment. Provided that the Board acts in good faith it shall not incur any liability to the Holders of shares conferring preferred rights for any loss they may suffer by the declaration or lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

130 SCRIP DIVIDENDS

The Board may, with the sanction of an ordinary resolution of the Company, offer the Holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of any dividend or dividends; and any such offer may be made before or after such authorisation is given. The following provisions shall apply:

- (a) For the purposes of this Article, an election may be made either in relation to a particular dividend or dividends or by way of mandate (by whatever name called - a "**scrip dividend mandate**") in relation to future dividends in respect of which the right to elect is offered; but no such election (whether or not by way of a scrip dividend mandate) shall be revoked in relation to a dividend unless prior to the latest time specified by the Board for lodgement of elections in respect of that dividend written notice of revocation is lodged at such place as is specified by the Board for that purpose.
- (b) Unless otherwise provided by the said resolution, the Board shall determine whether the right of election offered to shareholders shall extend to the whole or to part only of any such dividend.

- (c) The entitlement of each ordinary shareholder to new ordinary shares shall be such that the Relevant Value thereof shall be as nearly as practicable equal to (but not in excess of) the cash amount (disregarding any tax credit) that such shareholder would, but for such election, have received by way of dividend. For this purpose “**Relevant Value**” shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on the London Stock Exchange as derived from the Daily Official List for the day when the ordinary shares are first quoted “**ex**” the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the relevant ordinary resolution. A certificate or report by the Auditors as to the amount of the Relevant Value in respect of any dividend shall be conclusive evidence of that amount.
- (d) The basis of allotment shall be such that no member may receive a fraction of a share and the Board may deal with fractions which arise as it thinks fit including provisions whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any member and such accruals or retentions are applied to the allotment by way of bonus to or cash subscription on behalf of any such member of fully paid ordinary shares and/or provisions whereby cash payments may be made to members in respect of their fractional entitlement.
- (e) The Board after determining the basis of allotment, shall notify the Holders of ordinary shares in writing of the right of election offered to them, and shall send with, or following, such notification forms of election and specify the procedure to be followed and place at which, and the latest time by which, duly completed forms of election must be lodged in order to be effective provided that the Board shall not be required to notify any Holder of ordinary shares in respect of whom there is a subsisting scrip dividend mandate.
- (f) The dividend (or that part of the dividend in respect of which a right of election has been given) shall not be payable on ordinary shares in respect whereof the said election has been duly made (“**the elected ordinary shares**”) and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid. For such purpose the Board shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the Board may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to and amongst the Holders of the elected ordinary shares on such basis.

- (g) The Board shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined.
- (h) The additional ordinary shares so allotted shall rank for all dividends and distributions declared, made or paid from and after the first of the five dealing days referred to in Paragraph (c) above, and shall otherwise be identical in all respects with the ordinary shares in issue on that date, except that they shall not be entitled to any dividend, distribution or other right in respect of which the ordinary shares are quoted “**ex**” on that day.
- (i) The Board may exclude from any offer any Holders of ordinary shares where the Board believes that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.
- (j) The Board may in its discretion amend, suspend or terminate any offer which is in operation.
- (k) The Board may do all acts and things which it considers necessary or expedient to give effect to any such capitalisation, and may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for such capitalisation and incidental matters and any agreement so made shall be binding on all concerned.

131 **APPORTIONMENT OF DIVIDENDS**

Except as otherwise provided by the rights attached to shares or these Articles, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid; but no amount paid on a share in advance of the date on which a call is payable shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as if paid up in full or in part from a particular date, whether past or future, such share shall rank for dividend accordingly.

132 **DIVIDENDS IN SPECIE**

A general meeting declaring a dividend may, upon the recommendation of the Board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other body corporate, and, where any difficulty arises in regard to the distribution, the Board may settle the same as it thinks fit and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or disregard fractions altogether, and may fix the value for distribution of any assets

and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

133 PERMITTED DEDUCTIONS

The Board may deduct from any dividend or other moneys payable to any member in respect of a share any moneys presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company.

134 PROCEDURE FOR PAYMENT

Unless otherwise expressly provided by the rights attached to any share or class of shares, any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the Holder or person entitled or, if two or more persons are the Holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the Holder or otherwise by operation of law, to the registered address of that one of those persons who is first named in the register or to such person and to such address as the person or persons entitled may in writing direct. Every such cheque shall be made payable to the person or persons entitled or to such other person as the person or persons entitled may in writing direct and shall be sent at the risk of the person entitled, and payment of the cheque shall be a good discharge to the Company. Any joint Holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share. Any such dividend or other money may also be paid by any other method (including direct debit, bank transfer and dividend warrant) which the Board considers appropriate.

135 INTEREST NOT PAYABLE

No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to such share.

136 SUSPENSION OF PAYMENT OF DIVIDENDS

The Company shall be entitled to cease to send any cheques or warrants (or to use any other method of payment) for any dividend payable in respect of a share if in respect of at least two consecutive dividends payable on that share the cheque or warrant has been returned undelivered or remains uncashed (or that other method of payment has failed) or, following one such occasion, reasonable enquiries have failed to establish any new address of the Holder but, subject to the provisions of these Articles, may recommence sending cheques or warrants (or using another method of payment) for dividends payable on that share if the person or persons entitled so request.

137 FORFEITURE OF UNCLAIMED DIVIDENDS

Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment by the Board of any unclaimed dividend or other moneys payable in respect of a share into a separate account shall not constitute the Company a trustee thereof.

CAPITALISATION OF PROFITS AND RESERVES

138 POWER TO CAPITALISE

The Board may with the authority of an ordinary resolution of the Company:

- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preference dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or other fund, including the Company's share premium account and capital redemption reserve, if any;
- (b) appropriate the sum resolved to be capitalised to the members or any class of members on the record date specified in the relevant resolution who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares, debentures or other obligations of the Company of a nominal amount equal to that sum, and allot the shares, debentures or other obligations credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other; but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to Members credited as fully paid;
- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall so long as such shares remain partly paid rank for dividend only to the extent that the latter shares rank for dividend;
- (d) make such provision by authorising the sale and transfer to any person of fractions to which any members would become entitled or may issue fractional certificates or may resolve that the distribution be made as nearly as practicable in the correct proportion but not exactly so or may ignore fractions altogether or resolve that cash payments be made to any Members in order to adjust the rights of all parties or otherwise as (in each case) the Board determines where shares or debentures become, or would otherwise become, distributable under this Article in fractions;

- (e) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any further shares to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members; and
- (f) generally do all acts and things required to give effect to such resolution as aforesaid.

RECORD DATES

139 RECORD DATES FOR DIVIDENDS, ETC.

Notwithstanding any other provision of these Articles, but without prejudice to the rights attached to any shares, the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue, and such record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made. Where such a record date is fixed, references in these Articles to a Holder of shares or a member to whom a dividend is to be paid or a distribution, allotment or issue is to be made shall be construed accordingly.

ACCOUNTS

140 RIGHTS TO INSPECT ACCOUNTING RECORDS

No Member (other than a Director) shall have any right of inspecting any accounting record or other book or document of the Company except as conferred by the Act or authorised by the Board or by ordinary resolution of the Company or order of a court of competent jurisdiction.

NOTICES ETC.

141 WHEN NOTICE REQUIRED TO BE IN WRITING

Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the Board or a committee of the Board need not be in writing.

142 METHOD OF GIVING NOTICE

The Company may serve or deliver any notice or other document on or to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of joint Holders of a share, all notices or other documents shall be served on or delivered to the joint Holder whose name stands first in the register in respect of the joint holding and any notice or other document so served or delivered shall be deemed for all purposes sufficient service on or delivery to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to

him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.

143 NOTICE TO PERSONS ENTITLED BY TRANSMISSION

A notice or other document may be served or delivered by the Company on or to the persons entitled by transmission to a share, whether in consequence of the death or bankruptcy of a member or otherwise, by sending or delivering it, in any manner authorised by these Articles for the service or delivery of a notice or other document on or to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice or other document may be served or delivered in any manner in which it might have been served or delivered if the death or bankruptcy or other event giving rise to the transmission had not occurred.

144 TRANSFEREES ETC. BOUND BY PRIOR NOTICE

- (1) Any notice to be given to a member may be given by reference to the Register as it stands at any time within the period of fifteen days before the notice is given and no change in the Register after that time shall invalidate the giving of the notice.
- (2) Every person who becomes entitled to a share shall be bound by any notice (other than a notice given under section 793 of the 2006 Act) in respect of that share which, before his name is entered in the Register, was given to the person from whom he derives his title.

145 NOTICE DURING DISRUPTION OF POSTAL SERVICES

If at any time the Company is unable effectively to convene a general meeting by notices sent through the post as a result of the suspension or curtailment of postal services, notice of such general meeting may be sufficiently given by advertisement in at least one national newspaper published in the United Kingdom and in that event the notice shall be deemed to have been served on all members and persons entitled by transmission, who are entitled to have notice of meetings served upon them, at noon on the day on which the advertisement is published. In any such case the Company shall send confirmatory copies of the notice by post if at least forty-eight hours prior to the meeting the posting of notices again becomes practicable.

146 WHEN NOTICES BY POST DEEMED SERVED

Proof that an envelope containing a notice was properly addressed, prepaid and posted (or put into a post office) shall be conclusive evidence that the notice was given. A notice sent by post shall be deemed to be given on the day following the day upon which the envelope containing the same was posted unless it was sent by second class post in which case it shall be deemed to have been given on the day next but one after it was posted.

147 **DEEMED RECEIPT OF NOTICE**

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

DESTRUCTION OF DOCUMENTS

148 **POWER OF COMPANY TO DESTROY DOCUMENTS**

- (1) The Company shall be entitled to destroy all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entry is made in the register, at any time after the expiration of six years from the date of registration thereof and all dividend mandates or variations or cancellations thereof and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof.
- (2) Any document referred to in Paragraph (1) of this Article may be destroyed earlier than the relevant date authorised by that paragraph provided that a permanent record of the document is made which is not destroyed before that date.
- (3) It shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and that every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, provided always that:
 - (a) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
 - (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances where liability would not attach to the Company in the absence of this Article; and
 - (c) references herein to the destruction of any -document include references to the disposal thereof in any manner.

UNTRACED SHAREHOLDERS

149 POWER TO DISPOSE OF SHARES OF UNTRACED SHAREHOLDERS

- (1) The Company shall be entitled to sell, at the best price reasonably obtainable, the shares of a member or the shares to which a person is entitled by virtue of transmission on death, bankruptcy, or otherwise by operation of law if and provided that:
- (a) during the period of twelve years prior to the date of the publication of the advertisements referred to in paragraph (b) below (or, if published on different dates, the first thereof) at least three dividends in relation to the shares in question have become payable and all dividend warrants and cheques which have been sent in the manner authorised by these Articles in respect of the shares in question have remained uncashed and unclaimed; and
 - (b) the Company has after expiry of the said period of twelve years inserted advertisements in two newspapers, one of which is a national newspaper and the other of which is a newspaper circulating in the area of the last known address of such member or other person (or the address at which service of notices may be effected in the manner authorised by these Articles) giving notice of its intention to sell the shares; and
 - (c) during the said period of twelve years and the period of three months following the publication of the said advertisements and prior to the sale of the shares the Company shall have received no indication either of the whereabouts or of the existence of or any communication from such member or person entitled; and
 - (d) if the shares are listed on the London Stock Exchange, notice shall have been given to the Quotations Department of the London Stock Exchange of the Company's intention to make such sale.

If during any twelve-year period referred to in paragraph (a) above, further shares have been issued in right of those held at the beginning of such period or of any previously issued during such period and all the other requirements of this Article (other than the requirement that they be in issue for twelve years) have been satisfied in regard to the further shares, the Company may also sell the further shares.

TRANSFER ON SALE

- (2) To give effect to any such sale, the Board may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser and an instrument of transfer executed by that person shall be as effective as if it had been executed by the Holder of, or person entitled by transmission to, the shares. The transferee 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.

PROCEEDS OF SALE

- (3) The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, and no interest shall be payable on the net proceeds, which may be employed in the business of the Company or invested in such investments as the Board from time to time thinks fit.

WINDING UP

150 LIQUIDATOR MAY DISTRIBUTE IN SPECIE

- (1) Subject to (2) below, if the Company shall be wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator may with the like sanction determine, but no member shall be compelled to accept any asset upon which there is a liability.
- (2) The holders of Deferred Shares shall on a return of capital in a liquidation, but not otherwise, be entitled to receive the nominal amount of each such share but only after the holder of each ordinary share shall have received the amount paid up or credited as paid up on such ordinary share and the holders of Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company.

INDEMNITY

151 INDEMNITY TO DIRECTORS, OFFICERS ETC.

Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him as an officer or auditor 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 guilt

or breach of duty on his part) or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability in respect of any such act or omission.