

THE COMPANIES ACTS 1985, 1989 AND 2006

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SPECIAL RESOLUTIONS

of

Volga Gas Plc

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Duly passed 7 June 2013

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Special Resolutions

1 THAT, the directors be and they are hereby empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in Section 560 of the Act) for cash, pursuant to the authority conferred by resolution 7 as if Section 561 of that Act did not apply to any such allotment, provided that this power shall be limited to

(a) the allotment of equity securities in connection with a rights issue, open offer or other offer of securities in favour of the holders of ordinary shares on the register of members at such record date(s) as the Directors may determine where the equity securities respectively attributable to the interests of the Ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them on any such record date(s), subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter, and

(b) the allotment (otherwise than pursuant to sub-paragraph (a) above) to any person or persons of equity securities up to an aggregate nominal amount of £150,000

and the power conferred hereby shall expire upon the expiry of the general authority conferred by resolution 7, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired

2 THAT, the articles of association, produced to the meeting and initialled by the Chairman for the purposes of identification, shall be approved and adopted by the Company in substitution for, and to the exclusion of, the existing articles of association



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Antonio Alves  
Company Secretary

WEDNESDAY



A15 \*A5YTSXWA\* #372  
25/01/2017  
COMPANIES HOUSE

Company Number 5886534

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

**Articles of Association**  
**of**  
**Volga Gas plc**

**Adopted on 7 June 2013**

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Company No. 5886534

## **The Companies Acts 1985 and 2006**

### **Company Limited by Shares**

#### **Articles of Association**

**of**

#### **Volga Gas plc**

#### **1. PRELIMINARY**

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

#### **2. DEFINITIONS**

- 2.1 In these Articles, except where the subject or context otherwise requires.

**“AIM”** means a market operated by the London Stock Exchange,

**“AIM Rules”** means the rules set by the London Stock Exchange for companies operating on AIM, as amended from time to time,

**“Articles”** means these articles of association as altered from time to time by special resolution;

**“auditors”** means the auditors for the time being of the Company,

**“the board”** means the directors or any of them acting as the board of directors of the Company from time to time,

**“CA 1985”** means the Companies Act 1985 (to the extent for the time being in force);

**“CA 2006”** means the Companies Act 2006 (to the extent for the time being in force);

**“clear days”** means the period excluding the day when a notice is given or deemed to be given and the day for which it is given or which it is to take effect,

<b>“Companies Acts”</b>	means the CA 1985 and CA 2006, as each is amended and in force from time to time,
<b>“CREST”</b>	means the relevant system operated by CrestCo Limited pursuant to the Regulations, which enables title to shares or other securities to be evidenced and transferred without a written instrument;
<b>“director”</b>	means a director of the Company from time to time,
<b>“Electronic Communication”</b>	means a document or information being sent or supplied by “electronic means”, as such term is defined in Section 1168 of the CA 2006;
<b>“employees’ share scheme”</b>	has the meaning ascribed thereto by Section 1166 of the CA 2006,
<b>“executive director”</b>	means a director who is a full or part-time employee of the Company,
<b>“holder”</b>	means in relation to any shares the person whose name is entered in the register as the holder of such shares;
<b>“member”</b>	means a member of the Company from time to time,
<b>“Memorandum”</b>	means the memorandum of association of the Company as amended from time to time,
<b>“office”</b>	means the registered office of the Company for the time being,
<b>“Ordinary Shares”</b>	means the ordinary shares of 1p each in the capital of the Company;
<b>“paid”</b>	means paid or credited as paid,
<b>“register”</b>	means the register of members of the Company;
<b>“Recognised Person”</b>	means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, each of which terms has the meaning given to it in the CA 2006,
<b>“Regulations”</b>	means the Uncertificated Securities Regulations 2001 (SI 2001, No.3755) and includes (i) any enactment or subordinate legislation which amends or supersedes those regulations and (ii) any applicable rules made under those regulations or under any such enactment or subordinate legislation for the time being in force,

<b>“seal”</b>	means the common seal of the Company and includes any official seal kept by the Company,
<b>“secretary”</b>	means the secretary of the Company and includes a joint, assistant, deputy or temporary secretary and any other person appointed to perform the duties of the secretary;
<b>“Statutes”</b>	means the Companies Acts and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning companies and affecting the Company,
<b>“United Kingdom”</b>	means Great Britain and Northern Ireland.

### **3. CONSTRUCTION**

- 3 1 References to a document being executed include references to its being executed under hand or under seal or by any other method.
- 3 2 References to writing include references to any visible substitute for writing and to anything partly in one form and partly in another form.
- 3 3 Words denoting the singular number include the plural number and vice versa, words denoting the masculine gender include the feminine gender, and words denoting persons include corporations
- 3 4 Save as aforesaid, any words or expressions defined in the Companies Acts (but excluding any modification thereof not in force at the date of adoption of these Articles) shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.
- 3 5 Subject to the preceding paragraph, references to any provision of any enactment or of any subordinate legislation (as defined by Section 21(1) of the Interpretation Act 1978) include any modification or re-enactment of that provision for the time being in force
- 3 6 Headings are inserted for convenience only and do not affect the construction of these Articles.
- 3 7 In these Articles
- (a) powers of delegation shall not be restrictively construed but the widest interpretation shall be given thereto,
  - (b) the word “board” in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more directors, any director holding executive office and any local or divisional board manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated;

- (c) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and
- (d) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power

#### **4. SHARE CAPITAL**

##### **4.1 Share Capital**

The authorised share capital of the Company on the adoption of these Articles is £3,307,201 divided into 330,720,100 Ordinary Shares of 1p each

##### **4.2 Shares with special rights**

Subject to the provisions of the Statutes and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such special rights or subject to such restrictions as the Company may from time to time by ordinary resolution determine (or, if the Company has not so determined, as the directors may determine).

##### **4.3 Allotment**

The directors may, at any time after the allotment of any share but before any person has been entered in the register as the holder, recognise a renunciation thereof by the allottee in favour of some other person, in each case subject to such terms and conditions as the directors may think fit to impose

##### **4.4 Redeemable shares**

Subject to the provisions of the Statutes, and without prejudice to any rights attached to any existing shares or class of shares, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these Articles

##### **4.5 Commissions**

The Company may exercise all powers of paying commissions or brokerage conferred or permitted by the Statutes. Subject to the provisions of the Statutes, 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

##### **4.6 Trusts not recognised**

Except as required by law or ordered by a court of competent jurisdiction, 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 of the shares (or in any fractional part of the share) in the holder

#### 4.7 Financial assistance

Except as authorised in accordance with the Statutes, the Company shall not give any financial assistance for the purpose of an acquisition of its shares, or of reducing or discharging a liability incurred for that purpose

### 5. VARIATION OF RIGHTS

#### 5.1 Method of varying rights

Subject to the provisions of the Statutes, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may (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

- (a) with the consent in writing of the holders of three quarters in nominal value of the issued shares of the affected class which consent shall be by means of one or more instruments or contained in one or more Electronic Communications sent to such address (if any) for the time being notified by or on behalf of the Company for that purpose or a combination of both; or
- (b) with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class duly convened and held in accordance with these Articles,

but not otherwise

#### 5.2 When rights are deemed to be varied

For the purposes of Article 5.1, unless otherwise expressly provided by the rights attached to any shares or class of shares, those rights shall be deemed to be varied by:

- (a) the reduction of the capital paid up on those shares otherwise than by a purchase or redemption by the Company of its own shares, and
- (b) the allotment of other 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 not otherwise be deemed to be varied by

- (c) the creation or issue of other shares ranking pari passu with, or subsequent to, such first mentioned shares or by the purchase or redemption by the Company of any of its own shares

### 6. SHARE CERTIFICATES

#### 6.1 Issue of certificates

Every member, upon becoming the holder of any shares shall be entitled, without payment, to one certificate for all the shares of each class held by him (and, on transferring a part of his holding of shares of any class, to a certificate for the balance of his holding of certificated shares) 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

- (a) be (i) issued under seal (by affixing the seal to or printing the seal or a representation of it on the certificate), or (ii) signed by at least two directors or by at least one director and the secretary; and
- (b) 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 board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical or other means or may be printed on them or that the certificates need not be signed by any person. 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 a sufficient delivery to all of them. Shares of different classes may not be included in the same certificate.

## 6.2 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.

## 6.3 CREST

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 uncertificated form in accordance with the Regulations and any rules or requirements laid down from time to time by CREST or any other relevant system operated pursuant to the Regulations.

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

- (a) 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 Regulations prescribe or permit;

- (b) the registration of title to and transfer of any shares or securities in uncertificated form shall be effected in accordance with the Regulations and there shall be no requirement for a written instrument of transfer;
- (c) a properly authenticated dematerialised instruction given in accordance with the Regulations shall be given effect in accordance with the Regulations,
- (d) 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 Regulations,
- (e) if a situation arises where any provisions of these Articles are inconsistent in any respect with the terms of the Regulations in relation to shares or securities of the Company which are in uncertificated form then:
  - (i) the Regulations will be given effect thereto in accordance with their terms; and
  - (ii) the directors shall have power to implement any procedures as they may think fit and as may accord with the Regulations for the recording and transferring of title to shares and securities in uncertificated form and for the regulation of those proceedings and the persons responsible for or involved in their operation

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 Regulations on CREST or any other Operator (as defined in the Regulations) of a relevant system

## 7. LIEN

### 7.1 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 moneys payable to the Company (whether presently or not) 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

### 7.2 Enforcement of lien by sale

The Company may sell, in such manner as the board determines, 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 in writing has been given to the holder of the share in question 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 of the sum presently payable and stating that if the notice is not complied with the shares may be sold

### 7.3 Giving effect to sale

To give effect to any such sale the board may authorise such person as it directs to execute an instrument of transfer of the shares 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 shares be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

#### 7.4 Application of proceeds

The net proceeds of the 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 shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares immediately before the sale.

### 8. CALLS ON SHARES

#### 8.1 Power to make calls

Subject to the terms of allotment of any shares, 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). 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 the amount called on his shares as required by the notice. 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 on whom a call is made shall remain liable for calls made on him even if the shares in respect of which the call was made are subsequently transferred.

#### 8.2 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.

#### 8.3 Liability of joint holders

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

#### 8.4 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, such rate, not exceeding 15 per cent per annum or, if higher, the appropriate rate (as defined by the Companies Acts), as may be determined by the board, together with all expenses that may have been incurred by the Company by reason of such non-payment, but the board may waive payment of such interest wholly or in part in respect of any individual member. No dividend or other payment or distribution in respect of any such share shall be paid or distributed and no other

rights which would otherwise normally be exercisable in accordance with these Articles may be exercised by a holder of any such share so long as any such sum or any interest or expenses payable in accordance with this Article in relation thereto remains due.

#### 8.5 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 duly made and notified and payable on the date so fixed or in accordance with the terms of the allotment, 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 duly made and notified

#### 8.6 Differentiation on calls

Subject to the terms of allotment, the board may make arrangements on the issue of shares for a difference between the allottees and/or holders in the amounts and times of payment of calls on their shares.

#### 8.7 Payment of calls in advance

The board may, if it thinks fit, receive, from any member willing to advance it, all or any part of the moneys uncalled and unpaid on any share held by him and such payment in advance of calls shall extinguish pro tanto the liability on the shares in respect of which it is made. The Company may pay on all or any of the moneys so advanced (until they would but for such advance become presently payable) interest at such rate not exceeding (unless the Company by ordinary resolution otherwise directs) 15 per cent per annum or, if higher, the appropriate rate (as defined in the Act).

### 9. FORFEITURE AND SURRENDER

#### 9.1 Notice requiring payment of call

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 costs, charges and 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

#### 9.2 Forfeiture for non-compliance

If the notice referred to in Article 9.1 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. 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 such notice having been given and of the forfeiture with the date thereof shall forthwith be made in the register opposite the entry of the share. No forfeiture shall be invalidated by any omission or neglect to give such notice or to make such entries.

### 9.3 Sale of forfeited shares

Subject to the provisions of the Statutes, a forfeited 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 determines, 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 may be cancelled on such terms as the board thinks fit. Where for the purposes of its disposal a forfeited 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. The Company may receive the consideration given for the share on its disposal and may register the transferee as holder of the share.

### 9.4 Liability following forfeiture

A person any of whose shares have been forfeited shall cease to be the holder of them and shall surrender to the Company for cancellation the certificate for the shares forfeited. Such person 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, if no interest was so payable, at such rate, not exceeding 15 per cent. per annum or, if higher, the appropriate rate (as defined in the Companies Acts) as the board may determine, from the date of forfeiture until payment. 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 for any consideration received on their disposal.

### 9.5 Surrender

The board may accept the surrender of any share which it is in a position to forfeit upon such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

### 9.6 Extinction of rights

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

### 9.7 Evidence of forfeiture or surrender

A statutory declaration by a director or the secretary that a share has been duly forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the

declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share. The person to whom the share is disposed of shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity in, or invalidity of, the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

## **10. TRANSFER OF SHARES**

### **10.1 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 and shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal. Nothing in this Article or the provisions hereinafter shall preclude the transfer of shares or other securities of the Company in uncertificated form in accordance with the terms of Article 6.2 and any references contained in these Articles in relation to the execution of any instrument of transfer or the registration of any transfer of shares or other securities of the Company in uncertificated form shall be read in accordance with the terms of Article 6.2.

### **10.2 Transfers of partly paid shares**

The board may, in its absolute discretion, refuse to register the transfer of a share which is not fully paid or on which the Company has a lien. Provided that, where any such shares are admitted to trading on AIM, such discretion may not be exercised in such a way as to disturb the market in those shares or to prevent dealings in the shares of that class from taking place on an open and proper basis.

### **10.3 Invalid transfers**

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

- (a) is lodged, duly stamped if the Statutes so require, at the office or at such other place as the board may appoint accompanied by the certificate for the shares 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;
- (b) is in respect of only one class of shares; and
- (c) is in favour of not more than four transferees

In the case of a transfer by a Recognised Person, the lodgement of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.

### **10.4 Notice of refusal to register**

If the board refuses to register the 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.

#### 10.5 Suspension of registration

The registration of transfers of shares or of transfers of any class of shares may be suspended and the register closed at such times and for such periods (not exceeding thirty days in any year) as the board may determine provided that such suspension or closure is consistent with the Companies Acts.

#### 10.6 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, or for making any entry in the register affecting the title to any share.

#### 10.7 Retention of instruments 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.

### 11. TRANSMISSION OF SHARES

#### 11.1 Transmission

If a member dies, the survivor or survivors where he was a joint holder, and his personal representatives where he 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 shares. However, nothing herein contained shall release the estate of a deceased member (whether a sole or joint holder) from any liability in respect of any share held by him.

#### 11.2 Elections permitted/required

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 as to his entitlement and, subject to these Articles, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he 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 in writing 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.

The board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the board may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

#### 11.3 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 his entitlement and subject to the requirements of Article 11 2, have the same rights in relation to the share as he would have had if he were the holder of the share. That person 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

## 12. MANDATORY OFFER

12 1 While the Company's shares are admitted to trading on AIM and notwithstanding anything to the contrary set out in these Articles, the following provisions shall be in effect.

12 2 In this Article 12, the following words and expressions have the meanings set forth below.

“**acting in concert**” shall have the meaning attributed thereto by the Takeover Code,

“**beneficial ownership**” means, with respect to shares, sole or shared voting power (which includes the power to vote, or to direct the voting of, such shares) and/or investment power (which includes the power to dispose, or to direct the disposition of, such shares), whether direct or indirect, and whether through any contract, arrangement, understanding, relationship, or otherwise;

“**Control**” means a holding or aggregate holdings of shares representing thirty percent (30%) or more of the Voting Rights, irrespective of whether the holding or holdings give de facto control,

“**first closing date**” means twenty-one days following the date on which the Offer document is posted;

“**interest**” of a person means beneficial ownership of any shares of such person,

“**London Stock Exchange**” means London Stock Exchange plc,

“**Offer**” means a written offer made in accordance with Articles 12 2 and 12 5 through 12 9 and may, subject to Articles 12 3 and 12 5 through 12.9, include any offer to consummate a takeover, merger or consolidation transaction, however effected, including a reverse takeover, partial offer, tender offer, court scheme or offer by a parent company for shares in its subsidiary,

“**Offeror**” has the meaning given to it in Article 12.3 and includes persons wherever incorporated or resident,

“**Offer Period**” means the period from the time when an announcement is made of a proposed or possible Offer (with or without terms) until the first closing date or, if later, the date when the Offer becomes or is declared unconditional as to acceptances or lapses. An announcement that a holding, or aggregate holdings, of shares carrying thirty percent (30%) or more of the Voting Rights is for sale or that the board is

seeking potential offers to acquire Control of the Company will be treated as the announcement of a possible Offer for purposes of determining the applicable Offer Period,

“**person**” means any individual, firm, partnership, company, association, corporation or other entity,

“**public disclosure**” means disclosure in a press release or announcement reported by a Regulatory Information Service (as defined in the AIM Rules), the Dow Jones News Service, Associated Press, Reuters, Bloomberg or comparable national or international news service or in a document filed by the Company with Companies House in England and Wales or furnished to all shareholders,

“**Takeover Code**” means the City Code on Takeovers and Mergers, issued by the Panel on Takeovers and Mergers,

“**Voting Rights**” means the votes represented by the issued shares in the Company that give their holders the right to vote at meetings of shareholders.

### 12.3 When

- (a) any person who, together with persons acting in concert with such person, is interested in shares which carry less than thirty percent (30%) of the Voting Rights and such person, or any person acting in concert with such person, acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with such persons are interested) carry thirty percent (30%) or more of the Voting Rights; or
- (b) any person who, together with persons acting in concert with such person, is interested in shares which carry not less than thirty percent (30%) of the Voting Rights but does not hold shares carrying more than fifty percent (50%) of the Voting Rights and such person, or any person acting in concert with such person, acquires an interest in any additional shares which increases the percentage of shares carrying Voting Rights in which he or they are interested, or
- (c) any person who, together with persons acting in concert with such person, is interested in shares which carry not less than fifty percent (50%) of the Voting Rights but does not hold shares carrying more than seventy-five percent (75%) of the Voting Rights and such person, or any person acting in concert with such person, acquires, whether by a series of transactions over a period of time or not, an interest in shares, which (taken together with shares in which persons acting in concert with such persons are interested) carry more than seventy-five percent (75%) of the Voting Rights,

then such person and, if applicable, each person acting in concert with such person (collectively the “**Offeror**”) shall extend an Offer, on the basis set out in Articles 12.5 through 12.9 below to the holders of all issued shares in the Company

- 12.4 The exercise of an option to acquire shares carrying voting rights will be deemed to constitute the acquisition of shares under Article 12.3.
- 12.5 Each person in a group of persons acting in concert that constitutes an Offeror will have a joint and several obligation to extend an Offer
- 12.6 In respect of any Offer(s) made under Article 12.3:
- (a) such Offer(s) must be conditional only upon the Offeror having received acceptances in respect of shares which, together with shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror holding shares representing more than fifty percent (50%) of the Voting Rights; and
  - (b) no acquisition of an interest in shares which would give rise to the obligation to make an Offer under Article 12.3 may be made if the making or implementation of such Offer would or might be dependent on the passing of a resolution at any meeting of shareholders of the Offeror or upon any other condition, consent or arrangement
- 12.7 An Offer must be unconditional if the Offeror holds an interest in shares representing more than fifty percent (50%) of the Voting Rights before the Offer is made.
- 12.8 An Offer must, in respect of each class of shares, be in cash (or be accompanied by a cash alternative) at not less than the highest price paid by the Offeror for shares of that class during the Offer Period and within twelve months prior to its commencement. The cash offer (or the cash alternative) must remain open after the Offer has become or is declared unconditional as to acceptances for not less than fourteen days after the date on which it would otherwise have expired. An Offer must be made in writing and publicly disclosed, and must be open for acceptance for a period of not less than thirty days.
- 12.9 When an interest in shares of the Company has been acquired for consideration other than cash, the Offer must nevertheless be in cash or be accompanied by a cash alternative of at least equal value, which value must be determined by an independent valuation.
- 12.10 In calculating the price paid for an interest in shares in the Company, stamp duty or stamp duty reserve tax and broker's commission, if any, shall be excluded.
- 12.11 If an interest in shares in the Company has been acquired in exchange for securities which are listed or traded on a public securities exchange, the price paid for such interest will be established by reference to the middle market price of such listed securities on the applicable market on the date of such acquisition.
- 12.12 If shares in the Company are admitted to trading on AIM and have been acquired by the conversion or exercise (as applicable) of convertible securities, warrants, options or other subscription rights, the price paid for such shares will normally be established by reference to the middle market price of such shares on AIM at the close of business on the day on which the relevant exercise or conversion notice was submitted. If, however, the convertible securities, warrants, options or subscription rights were

acquired during the Offer Period or within twelve months prior to its commencement, they will be treated as if they were purchases of the underlying shares at a price equal to the sum of the purchase price of such convertible securities, warrants, options or other subscription rights plus the relevant conversion or exercise price paid (or if such convertible securities, warrants, options or other subscription rights have not yet been converted or exercised, the maximum conversion or exercise price payable under the relevant conversion or exercise terms)

- 12.13 In the event that any director of the Company (or any of his or her close relatives or related trusts) sells an interest in shares to a purchaser as a result of which the purchaser is required to make an Offer under Article 12.3, such director must ensure that, as a condition of the sale, the purchaser undertakes to fulfil its obligations under Article 12.3. In addition, subject to Article 12.17, such director shall not resign from the board until the first closing date of the Offer or the date when the Offer becomes or is declared wholly unconditional, whichever is the later
- 12.14 No Offeror or nominee of an Offeror may be appointed to the board, nor may an Offeror exercise the Voting Rights represented by the shares in the Company held by such Offeror, until public disclosure of the Offer has been made
- 12.15 If an issue of new shares by the Company as consideration for an acquisition or a cash subscription would otherwise result in an obligation to make an Offer under Article 12.3, the obligation may be waived by an independent vote of the shareholders not affiliated or acting in concert with the allottees of the new shares (not including votes of the allottees themselves). The requirement for an Offer under Article 12.3 may also be waived by the consent of the holders of a majority of the Voting Rights of those persons who are not the proposed allottee of the relevant new shares (or affiliated or acting in concert with such proposed allottee). If an underwriter incurs an obligation under Article 12.3 unexpectedly, for example as a result of an inability to complete a distribution of shares in the Company, this obligation may be waived by the consent of the holders of a majority of the Voting Rights of those persons who are not the underwriter(s) (nor affiliated or acting in concert with such underwriter(s))
- 12.16 If an Offeror shall fail to comply with Articles 12.3 and 12.6 through 12.9, or shall fail to comply with such Offeror's obligations under the Offer, the Offeror shall not be entitled to exercise any Voting Rights
- 12.17 The restriction in Article 12.16 above may be lifted at the discretion of the board if (i) the shares subject to such restriction are proved to the reasonable satisfaction of the board to have been sold to a new beneficial owner that is not affiliated or acting in concert with the Offeror, (ii) such shares have been sold pursuant to an Offer made to all holders of shares in the Company on terms which do not differentiate between such holders or (iii) the provisions of this Article 12 relating to the Offer or, as the case may be, the Offeror's obligations under the Offer, have been complied with in full
- 12.18 If a director is affiliated with an Offeror, he or she shall forthwith vacate his or her office if his or her resignation is requested by notice tendered at a meeting of the board by all other directors who are not so affiliated. For purposes hereof, like notices signed by each such director shall be effective as a single notice signed by all such directors

### **13. ALTERATION OF SHARE CAPITAL**

#### **13.1 Alterations by ordinary resolution**

Subject to and in accordance with the provisions of the Statutes, the Company may by ordinary resolution

- (a) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes (and the board is hereby authorised to exercise such power from time to time without further resolution of the members);
- (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares,
- (c) subject to the provisions of the Statutes, sub-divide its shares, or any of them, into shares of a smaller amount than is fixed by the Memorandum (provided that the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived) and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
- (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

#### **13.2 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.

#### **13.3 Fractions arising**

Whenever as a result of a consolidation or sub-division of shares any fractions arise, the board may settle the matter in any manner it deems fit and in particular may sell shares representing fractions to which any members would otherwise become entitled to any person (including, subject to the provisions of the Statutes, the Company) and distribute the net proceeds of sale (subject to retention by the Company of amounts not exceeding £3, the cost of distribution which would be disproportionate to the amounts involved) in due proportion among those members, and 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 moneys nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

#### **13.4 Power to reduce capital**

Subject to any authority required by law or any rights from time to time attached to any shares of the Company, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way

## **14. PURCHASE OF OWN SHARES**

### **14 1 Power to purchase own shares**

Subject to and in accordance with the provisions of the Statutes and, for so long as the Company's shares are admitted AIM, the relevant provisions of the AIM Rules without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class (including redeemable shares) at any price (whether at par or above or below par), and so that any shares to be so purchased may be selected in any manner whatsoever. Every contract for the purchase of, or under which the Company may become entitled or obliged to purchase, shares in the Company shall be authorised by such resolution of the Company as may be required by the Companies Acts and by a special resolution passed at a separate general meeting of the holders of each class of shares (if any) which, at the date on which the contract is authorised by the Company in general meeting, entitle them, either immediately or at any time later on, to convert all or any of the shares of that class held by them into equity share capital of the Company.

## **15. GENERAL MEETINGS**

### **15 1 Types of general meeting**

The board shall convene and the Company shall hold at least one general meeting each financial year, which shall be the annual general meeting of such financial year, in accordance with the requirements of the Statutes.

The board may call additional general meetings whenever it thinks fit, and, in accordance with the Companies Acts, shall forthwith proceed to convene a general meeting should the members requisition such a general meeting under Sections 303 to 305 (inclusive) of the CA 2006. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Company may call a general meeting.

### **15 2 Class meetings**

All provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply to every separate general meeting of the holders of any class of shares in the capital of the Company, except that:

- (a) the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class or, at any adjourned meeting of such holders, one holder present in person or by proxy, whatever the amount of his holding, who shall be deemed to constitute a meeting, and
- (b) any holder of shares of the class present may demand a poll, and
- (c) the holders of any class of shares in the capital of the Company shall not be entitled to requisition a meeting of any such class of shares, and
- (d) each holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him.

### 15.3 Convening general meetings

Subject to the provisions of Article 15.1, the board may call general meetings whenever and at such times and places as it shall determine. On the requisition of members pursuant to the provisions of the Companies Acts, the board shall forthwith proceed to convene a general meeting in accordance with the requirements of the Companies Acts. If there are not within the United Kingdom sufficient directors to call a general meeting, any director of the Company may call a general meeting, but where no director is willing or able to do so, any two members may summon a meeting for the purpose of appointing one or more directors

## 16. NOTICE OF GENERAL MEETINGS

### 16.1 Period of notice

A general meeting shall be called by at least 14 clear days' notice in writing, provided however that

- (a) a general meeting requiring special notice pursuant to the CA 2006 shall be called by at least 28 clear days' notice in writing, and
- (b) the Company's annual general meeting shall be called by at least 21 clear days' notice in writing.

Subject to the provisions of the Companies Acts, these Articles and to any restrictions imposed on any shares, the notice shall be given to all the members entitled to attend and vote at the meeting, to each of the directors and to the auditors for the time being of the Company.

### 16.2 Contents of notice

The notice shall specify the day, time and place of the meeting and, in the case of special business, the general nature of such business. In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his place, and that a proxy need not be a member. Every notice shall also state the place where instruments of proxy are to be deposited if the board shall have determined such place to be other than that of the registered office of the Company. All business shall be deemed special that is transacted at a general meeting that is not an annual general meeting and also all business that is transacted at an annual general meeting with the exception of

- (a) the declaration of dividends,
- (b) the consideration and adoption of the accounts and balance sheet and the reports of the directors and auditors and other documents required to be annexed to the accounts,
- (c) the appointment and reappointment of directors,
- (d) the appointment of auditors where special notice of the resolution for such appointment is not required by the Companies Acts; and

- (e) the fixing of, or the determining of the method of fixing, the remuneration of the directors and/or auditors

The notice shall, in the case of an annual general meeting, specify the meeting as such, and, in the case of a meeting to pass a special resolution, specify the intention to propose the resolution as a special resolution

16 3 General meetings at more than one place

The provisions of this Article shall apply if any general meeting is convened at or adjourned to more than one place.

16 4 Notice and conditions for holding

The notice of the meeting or adjourned meeting shall specify the place at which the chairman of the meeting shall preside (the "Specified Place") and the directors shall make arrangements for simultaneous attendance and participation at other places (whether adjoining the Specified Place or in a different and separate place or places altogether or otherwise) by the members, provided that persons attending at any particular place shall be able to see and hear and be seen and heard (whether by audio visual links or otherwise) by persons attending at the other places at which the meeting is convened.

16 5 Controlling level of attendance

The directors may from time to time make such arrangements for the purpose of controlling the level of attendance at any such place (whether involving the issue of tickets or the imposition of some means of selection or otherwise) as they shall in their absolute discretion consider appropriate, and may from time to time vary any such arrangements or make new arrangements in place of them, provided that a member who is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places; and the entitlement of any member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangements as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting

16 6 Place of meeting

For the purposes of all other provisions of these Articles any such meeting shall be treated as being held at the Specified Place.

16 7 Adjournment to more than one place

If a meeting is adjourned to more than one place, notice of the adjourned meeting shall be given notwithstanding any other provision of these Articles

16.8 Accidental omission to give notice

The accidental omission to give notice of a meeting, or to send a form of proxy with a notice where required by these Articles, to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by any such person, shall not invalidate the proceedings at that meeting



## **17. PROCEEDINGS AT GENERAL MEETINGS**

### **17.1 Quorum**

No business shall be transacted at any general meeting unless a quorum is present, but the absence of a quorum shall not preclude the choice or appointment of a chairman in accordance with these Articles, which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, two persons present in person or by proxy or by representative (in the case of a corporate member) and entitled to vote upon the business to be transacted shall be a quorum.

### **17.2 If quorum not present**

If such a quorum is not present within fifteen minutes (or such longer time not exceeding thirty minutes as the chairman of the meeting may decide to wait) from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of Shareholders, shall be dissolved, and in any other case shall stand adjourned to such time and place as the chairman of the meeting may determine, being not less than 14 nor more than 28 days thereafter. If at the adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting, the meeting shall be dissolved.

### **17.3 Chairman**

The chairman of the board or, in his absence, any deputy chairman of the Company or, in his absence, some other director nominated by the board, shall preside as chairman of the meeting, but if neither the chairman, deputy chairman nor such other director (if any) is present within fifteen minutes after the time appointed for holding the meeting or is not willing to act as chairman, the directors present shall elect one of their number to be chairman. 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 and entitled to vote shall choose one of their number to be chairman.

### **17.4 Directors entitled to speak**

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.

### **17.5 Adjournments**

The chairman 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 thirty 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.

#### 17.6 Amendments to resolutions

If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, 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. Amendments must be within the scope of the notice of the meeting, and must not have the effect of negating the substantive resolutions. No amendment will be considered except at the discretion of the Chairman unless 48 hours notice in writing of the proposed amendment has been given to the Company. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

#### 17.7 Methods of voting

A resolution put to the vote of a general meeting shall be decided on a show of hands unless, before or on the declaration of the result of a vote on the 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 Companies Acts, a poll may be demanded by

- (a) the chairman of the meeting, or
- (b) at least two members present in person or by proxy having the right to vote on the resolution; or
- (c) any member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution, or
- (d) any member or members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right, and a demand by a person as proxy for a member shall be the same as a demand by the member.

#### 17.8 Declaration of result

Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the 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.

#### 17.9 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.

17 10 Conduct of poll

A poll shall be taken 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.

17 11 Chairman's casting vote

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

17.12 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 and place as the chairman directs not being more than thirty days after the poll is demanded. 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.

17 13 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.

17 14 Effectiveness of special resolutions

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

**18. VOTES OF SHAREHOLDERS**

18 1 Right to vote

Subject to applicable laws and regulations and any rights or restrictions as to voting attached to any shares in accordance with these Articles, on a show of hands every member who is present in person or by proxy, or by representative (in the case of a corporate member) shall have one vote and on a poll every member present in person or by proxy, or by representative (in the case of a corporate member) shall have one vote for every share of which he is the holder.

18 2 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 holders stand in the register

18.3 Shareholder under incapacity

A member in respect of whom an order has been made by any court or official 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 or official, 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.

18.4 Calls in arrears

No member shall, unless the board otherwise determines, be entitled 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, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

18.5 Errors in voting

If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment thereof, and it is in the opinion of the chairman of the meeting of sufficient magnitude to vitiate the result of the voting

18.6 Objection to voting

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

18.7 Supplementary provisions on voting

On a poll votes may be given either personally or by proxy. 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

**19. PROXIES AND CORPORATE REPRESENTATIVES**

19.1 Appointment of proxy

The appointment of a proxy shall, if made by an instrument in writing, be executed by or on behalf of the appointer. The appointment of a proxy by a corporation may be executed by a form of proxy under the hand of a duly authorised officer

## 19.2 Form of proxy

Proxies 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 Companies Acts, 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 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, provided each proxy is appointed to exercise the rights attached to a different share or shares held by the relevant member.

## 19.3 Delivery of form of proxy

The appointment of a proxy and any power of attorney or other written authority under which it is executed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power or written authority shall:

- (a) be deposited by personal delivery, post or facsimile transmission at the office or at such other place within the United Kingdom as is specified in 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 an appointment contained in an Electronic Communication, where an address has been specified for the purpose of receiving Electronic Communications:
  - (i) in the notice convening the meeting, or
  - (ii) in any proxy sent out by the Company in relation to the meeting, or
  - (iii) in any invitation contained in an Electronic Communication to appoint a proxy issued by the Company in relation to the meeting, be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote, or
- (c) in the case of a poll taken more than 48 hours after it is demanded, be deposited or received 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
- (d) 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 appointment of a proxy which is not deposited, delivered or received in a manner so permitted shall be invalid. No proxy shall be valid after the expiration of

twelve months from the date stated in it as the date of its execution. When two or more valid proxies are delivered in respect of the same share for use at the same meeting, the one which was executed last shall be treated as replacing and revoking the others as regards that share; if the Company is unable to determine which was executed last, none of them shall be treated as valid in respect of that share.

In this Article "address", in relation to Electronic Communications, includes any number or address used for the purposes of such communications.

#### 19.4 Validity of form of proxy

The proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The 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.

#### 19.5 Corporate representatives

Any corporation which is a member of the Company may (by resolution of its directors or other governing body or by authority to be given under seal or under the hand of an officer duly authorised by it) authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares. A person so authorised shall be entitled to exercise the same power on behalf of the grantor of the authority as the grantor could exercise if it were an individual member of the Company and the grantor 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.

#### 19.6 Revocation of authority

A vote given or poll demanded by proxy or by the duly authorized 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 or, where the appointment of the proxy was contained in an Electronic Communication, at the address at which such appointment was duly received at least 3 hours 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.

In this Article, "address", in relation to Electronic Communications, includes any number or address used for the purposes of such communications.

### 20. NUMBER OF DIRECTORS

#### 20.1 Limits on number of directors

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall be not less than 2 but shall not be subject to any maximum in number.

## **21. APPOINTMENT AND RETIREMENT OF DIRECTORS**

### **21 1 Number of directors to retire**

At the first annual general meeting all the directors shall retire from office, and at every subsequent annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to, but greater than, one-third shall retire from office, but, if there is only one director who is subject to retirement by rotation, he shall retire

### **21 2 Which directors to retire**

Subject to the provisions of the Companies Acts and these Articles, the directors to retire by rotation 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. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the board at the date of the notice convening the annual general meeting and no director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the directors after the date of the notice but before the close of the meeting

### **21 3 When director deemed to be re-appointed**

If the Company, at the meeting at which a director retires by rotation or otherwise, does not fill the vacancy, the retiring director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the director is put to the meeting and lost

### **21 4 Eligibility for election**

No person other than a director retiring by rotation shall be appointed 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 stating the particulars which would, if he were so appointed, be required to be included in the Company's register of directors, together with notice executed by that person of his willingness to be appointed

### **21 5 Separate resolutions on appointment**

Except as otherwise authorised by the Companies Acts, the appointment of any person proposed as a director shall be effected by a separate resolution.

### **21 6 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. The appointment of a person to fill a vacancy or as an additional director shall take effect from the end of the meeting.

#### 21.7 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 in either case whether or not for a fixed term, 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. Irrespective of the terms of his appointment, 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 the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.

#### 21.8 Position of retiring directors

A director who retires at an annual general meeting may, if willing so to act, be re-appointed. If he is not re-appointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

#### 21.9 Age limit

No person shall be disqualified from being appointed or reappointed a director, and no director shall be required to vacate that office, by reason only of the fact that he has attained the age of seventy years or any other age nor shall it be necessary by reason of his age to give special notice under the Companies Acts of any resolution. Where the board convenes any general meeting of the Company at which (to the knowledge of the board) a director will be proposed for appointment or re-appointment who at the date for which the meeting is convened will have attained the age of seventy years or more, the board shall give notice of his age in years in the notice convening the meeting or in any document accompanying the notice, but the accidental omission to do so shall not invalidate any proceedings, or any appointment or re-appointment of that director, at that meeting.

#### 21.10 No share qualification

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

### **22. ALTERNATE DIRECTORS**

#### 22.1 Power to appoint alternates

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

#### 22.2 Alternates entitled to receive notice



An alternate director shall (subject to his giving to the Company a postal address within the United Kingdom and, if applicable, an address to which Electronic Communications may be received by him) be entitled to receive notice of all meetings of the board and of all meetings of committees of the board of which his appointer is a member, to attend and vote at any such meeting at which his appointer is not personally present, and generally to perform all the functions of his appointer (except as regards power to appoint an alternate) as a director in his absence. It shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.

#### 22.3 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.

#### 22.4 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 in respect of his services as an alternate director be entitled to receive any remuneration from the Company except such part (if any) of the remuneration otherwise payable to his appointer as such appointer may by notice in writing to the Company from time to time direct. An alternate director shall be entitled to be indemnified by the Company to the same extent as if he were a director.

#### 22.5 Termination of appointment

An alternate director shall cease to be an alternate director:

- (a) if his appointer ceases to be a director; but, if a director retires by rotation or otherwise but is re-appointed or deemed to have been re-appointed 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 re-appointment;
- (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.

#### 22.6 Method of appointment and revocation

Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment and shall take effect in accordance with the terms of the notice (subject to an approval required by Article 22.1) upon receipt of such notice at the office.

#### 22.7 Alternate not an agent of appointer

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.

### **23. POWERS OF THE BOARD**

#### **23 1 Business to be managed by board**

Subject to the provisions of the Statutes, 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, including the power to dispose of all or any part of the undertaking of the Company. No alteration of the Memorandum or 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.

### **24. DELEGATION OF POWERS OF THE BOARD**

#### **24 1 Committees of the board**

The board may delegate any of its powers to any committee consisting of one or more directors. The board may also delegate to any director holding any executive office such of its powers as the board considers desirable to be exercised by him. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the board may specify, and may be revoked or altered. The board may co-opt on to any such committee persons other than directors, who may enjoy voting rights in the committee. The co-opted member shall be less than one-half of the total membership of the committee and a resolution of any committee shall be effective only if a majority of the members present are directors. Subject to any conditions imposed by the board, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of directors so far as they are capable of applying.

#### **24 2 Local boards, etc**

The board may establish local or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of the local or divisional boards, or any managers or agents, and may fix their remuneration. The board may delegate to any local or divisional board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the board, with power to sub-delegate, and may authorise the members of any local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies. Any appointment or delegation made pursuant to this Article may be made upon such terms and subject to such conditions as the board

may decide and the board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it

#### 24.3 Agents

The board may, by power of attorney or otherwise, appoint any person or persons to be the agent or agents of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the board) and on such conditions as the board determines, including authority for the agent or agents to delegate all or any of his or their powers, authorities and discretions, and may revoke or vary such delegation

#### 24.4 Offices including the title "director"

The board may appoint any person to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such a designation or title and may terminate any such appointment or the use of any such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment shall not imply that the holder is a director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a director of the Company for any of the purposes of these Articles

### 25. BORROWING POWERS

#### 25.1 Power to borrow

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

### 26. DISQUALIFICATION AND REMOVAL OF DIRECTORS

#### 26.1 Disqualification as a director

Without prejudice to the provisions of these Articles, the office of a director shall be vacated if

- (a) he ceases to be a director by virtue of any provisions of the Statutes 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 shall apply to the court for an interim order under Section 253 of the Insolvency Act 1986 (as amended) in connection with a voluntary arrangement under that Act; or
- (c) he is, or may be, suffering from mental disorder and either

- (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
- (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs, or
- (d) he resigns his office by notice to the Company or, having been appointed for a fixed term, the term expires or his office as a director is vacated pursuant to Article 21 7, or
- (e) he shall for more than six consecutive months have been absent without permission of the board from meetings of the board held during that period and his alternate director (if any) shall not during such period have attended in his stead and the board resolves that his office be vacated;
- (f) he is requested to resign in writing by not less than three quarters of the other directors. In calculating the number of directors who are required to make such a request to the director, (i) there shall be excluded any alternate director appointed by him acting in his capacity as such, and (ii) a director and any alternate director appointed by him and acting in his capacity as such shall constitute a single director for this purpose, so that the signature of either shall be sufficient.

#### 26 2 Power of Company to remove director

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

### 27. REMUNERATION OF NON-EXECUTIVE DIRECTORS

#### 27 1 Ordinary remuneration

Each director who does not hold executive office for his services shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the remuneration committee

#### 27 2 Additional remuneration for special services

Any director who does not hold executive office but who at the request of the board goes or resides abroad for any purpose of the Company or otherwise performs special

services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may (without prejudice to the provisions of Article 27 1) be paid such extra remuneration by way of salary, commission or otherwise as the board may determine.

## **28. DIRECTORS' EXPENSES**

### **28.1 Directors may be paid 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 of debentures of the Company or otherwise in connection with the discharge of their duties

## **29. EXECUTIVE DIRECTORS**

### **29.1 Appointment to executive office**

Subject to the provisions of the Companies Acts, the board may appoint one or more of its body 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 his ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms, including terms as to remuneration, as the board determines, and any remuneration which is so determined may be in addition to or in lieu of any ordinary remuneration as a director. 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

### **29.2 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 cessation. A director appointed to an executive office shall not ipso facto cease to be a director if his appointment to such executive office terminates

### **29.3 Emoluments to be determined by the board**

The emoluments of any director holding executive office for his services as such shall be determined by a committee of the board, and may be of any description, and (without limiting the generality of the foregoing) may include admission to or continuance of membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund

### **30. DIRECTORS' INTERESTS**

#### **30.1 Power of board to authorise conflicts**

The board shall have the power to authorise any matter which would or might otherwise involve a breach of a director's duty under Section 175 of the CA 2006 to avoid a conflict of interest (a "**Conflict Situation**"). Authorisation of a Conflict Situation under this Article shall be effective only if:

- (a) any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director, and
- (b) the matter was agreed to without their voting, or would have been agreed to if their votes had not been counted

#### **30.2 Content of Authorisation**

Any authorisation of a Conflict Situation under Article 30.1 shall.

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised, and
- (b) be subject to such conditions or limitations as the board may determine, whether at the time such authorisation is given or subsequently, including that the relevant director is excluded from receiving information, participating in discussion and/or making decisions (whether at meetings of the board or otherwise) in relation to the Conflict Situation

and may be revoked by the board at any time, but without affecting anything done by the director before such revocation in accordance with the terms of the authority

#### **30.3 Accountability**

A director shall not be accountable to the Company for any benefit which he (or a person connected with him) derives from any Conflict Situation which has been authorised by the board under Article 30.1 (subject to any conditions or limitations imposed), nor shall the receipt of any such benefit constitute a breach of his duty under Section 176 of the CA 2006, nor any related contract, transaction or arrangement be liable to be avoided on the grounds of such benefit.

#### **30.4 Other conflicts of interest**

A director may have an interest of the following kind, and no authorisation by the board shall be required under Article 30.1 in respect of any such interest

- (a) where a director is or becomes a director or other officer of, or employed by, or otherwise interested (including by the holding of shares) in any Relevant Company,
- (b) where a director is a party to, or otherwise interested in, any contract, transaction or arrangement with a Relevant Company;

- (c) where a director holds any other office or place of profit with the Company (other than as auditor) in conjunction with his office of director for such period and on such terms, including as to remuneration, as the board may decide, or
- (d) where the director acts (or a firm of which he is a partner, employee or member acts) in a professional capacity for any Relevant Company (other than as auditor), whether or not he or it is remunerated for the services.

For the purposes of this Article, “**Relevant Company**” shall mean.

- (i) the Company,
- (ii) any subsidiary undertaking of the Company;
- (iii) any parent undertaking of the Company or a subsidiary undertaking of any such parent undertaking;
- (iv) any body corporate promoted by the Company; or
- (v) any body corporate in which the Company is otherwise directly or indirectly interested,

and “subsidiary undertaking” and “parent undertaking” shall be construed in accordance with Sections 1161 and 1162 of the CA 2006

30 5 A director shall declare the nature and extent of any interest falling within Article 30.4.

30 6 A director shall not be accountable to the Company for any benefit which he (or a person connected with him) derives from any interest falling within Article 30 4, nor shall the receipt of any such benefit constitute a breach of his duty under Section 176 of the CA 2006, nor any related contract, transaction or arrangement be liable to be avoided on the grounds of such benefit

30 7 Duty of confidentiality to a third party

Subject to Article 30 8, where a director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to another person, he shall not be required to

- (a) disclose such information to the Company or to the board, or to any director, officer or employee of the Company, or
- (b) otherwise use or apply such confidential information in performing his duties as a director

30 8 To the extent that a director’s relationship with that other person referred to in Article 30 7 gives rise to a Conflict Situation, Article 30 7 applies only if

- (a) the existence of that relationship has been approved by the board pursuant to Article 30 1; and

- (b) (without prejudice to his general obligations of confidentiality) the director observes a strict duty of confidentiality to the Company for any confidential information of the Company relating to the relevant Conflict Situation

### 30.9 Consequences of authorisation

Where the existence of a director's relationship with another person gives rise to a Conflict Situation which has been approved by the board pursuant to Article 30.1, the director shall not be in breach of his general duties to the Company under Sections 171 to 177 of the CA 2006 if he:

- (a) absents himself from meetings of the board at which any matter relating to that Conflict Situation will or may be discussed or from the discussion of any such matter at any other meeting or otherwise, and/or
- (b) makes arrangements not to receive documents and information relating to that Conflict Situation sent or supplied by the Company and/or for such documents and information to be received and read by a professional adviser,

for so long as he reasonably believes such Conflict Situation subsists

### 30 10 Quorum, voting and interests in transactions or arrangements with the Company

A director shall declare the nature and extent of his interest in a Conflict Situation to the board.

30.11 Where a director is in any way directly or indirectly interested in a proposed contract, transaction or arrangement with the Company, he must declare the nature and extent of that interest to the board before the Company enters into it

30 12 Where a director is in any way directly or indirectly interested in a contract, transaction or arrangement that has been entered into by the Company, he must declare the nature and extent of that interest to the board, unless the interest has been declared under Article 30 11.

30 13 The declaration of interest must, in the case of Article 30 12, and may, but need not, in the case of Articles 30 10 or 30 11, be made at a meeting of the board or in the manner set out in Sections 184 (notice in writing) or 185 (general notice) of the CA 2006).

30 14 If a declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.

30 15 A declaration is not required in relation to an interest of which the director is not aware, or where the director is not aware of the transaction or arrangement in question For this purpose, a director is treated as being aware of matters of which he ought reasonably to be aware

30 16 A director need not declare an interest

- (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest,



- (b) if, or to the extent that, the board is already aware of it (and for this purpose the board is treated as aware of anything of which it ought reasonably to be aware); or
- (c) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered by a meeting of the board or a committee of the board appointed for the purpose under the Articles.

30 17 For the purposes of Articles 30.1 to 30.16

- (a) an interest of a person who is connected with a director shall be treated as an interest of the director,
- (b) Sections 252 and 253 of the CA 2006 shall determine whether a person is connected with a director; and
- (c) a “conflict of interest” includes a conflict of interest and duty and a conflict of duties

30 18 Ratification by members

The Company may by ordinary resolution ratify any contract, transaction or arrangement, or any other matter, not properly authorised under these Articles

30 19 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 as directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate)

## **31. GRATUITIES, PENSIONS AND INSURANCE**

### **31 1 Gratuities and pensions**

The board may (by establishment of 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.

### **31.2 Insurance**

Without prejudice to the provisions of Article 47 1, the board shall have the power to purchase and maintain insurance 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 undertaking 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 undertaking 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 undertaking or pension fund

31.3 Directors not liable to account

No director or former director shall be accountable to the Company or the members for any benefit provided pursuant to these Articles and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company

31.4 Section 247 of the CA 2006

Pursuant to Section 247 of the CA 2006, the board is hereby authorised to make such provision as may seem appropriate for the benefit of any persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer of the whole or part of the undertaking of the Company or any subsidiary. Any such provision shall be made by a resolution of the board in accordance with the said section.

**32. PROCEEDINGS OF DIRECTORS**

32.1 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. 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 a meeting and any such waiver may be retrospective.

32.2 Quorum

The quorum for the transaction of the business of the board may be fixed from time to time by the board and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointer 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 as long as no other director objects.

32.3 Powers 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 number fixed

as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting

#### 32.4 Chairman and deputy chairman

The board may appoint one of its number to be the chairman, and one of its 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.

#### 32.5 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.

#### 32.6 Resolutions in writing

A resolution in writing signed by all the directors entitled to receive notice of a meeting of the board or of a committee of the board (not being less than the number of directors required to form a quorum 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 to the same effect each signed by one or more directors,
- (b) a resolution signed by an alternate director need not also be signed by his appointer, and
- (c) a resolution signed by a director who has appointed an alternate director need not also be signed by the alternate director in that capacity.

#### 32.7 Meetings by telephone, etc.

Without prejudice to the first sentence of Article 32.1, a meeting of the board or of a committee of the board may consist of a conference between directors who are not all in one place, but of whom each is able (directly 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

32 8 Directors’ power to vote on contracts in which they are interested

Subject to compliance with Article 30, a director shall be entitled to vote at a meeting of the board or a committee of the board on any resolution of the board concerning a matter in which he has an interest.

32 9 Inclusion of director in quorum

Subject to compliance with Article 30, a director shall be counted in the quorum present at a meeting in relation to a resolution concerning a matter in which he has an interest.

32 10 Division of proposals

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices or employment 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 in such cases each of the directors concerned shall, subject as otherwise provided in these Articles, be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment

32.11 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 relation to any director other than himself shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed. 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 except in a case where the nature and extent of the interests of the chairman have not been fairly disclosed.

**33. QUALIFYING DIRECTORS**

33 1 Effective period of this article

This Article 33 shall cease to apply and shall have no further force or effect on the earlier of (i) the earliest date on which each person who is a Major Shareholder on the date of adoption of these Articles shall have ceased to be (and on which date no Associate of such a Major Shareholder is) a Major Shareholder and (ii) the date falling 3 years from the date of adoption of these Articles

33 2 Qualifying Directors’ power to vote

Notwithstanding any Article (other than Article 33 1) to the contrary, only Qualifying Directors shall be entitled to vote on any resolution of the board or any committee of the board in relation to.

- (a) any transaction, agreement, arrangement, relationship or other dealings, whether contractual or otherwise, between any Major Shareholder or any Associate of any Major Shareholder and the Company or any subsidiary undertaking of the Company for the time being (including the variation or termination of any of the foregoing) or any other proposal whatsoever in relation to which any Major Shareholder or any Associate of any Major Shareholder has any material interest (other than solely by virtue of the interest of such Major Shareholder in shares of the Company), or
- (b) any determination whether the terms of any agreement between the Company and any person which is a Major Shareholder on the date of adoption of these Articles has been complied with in all respects,
  - (i) and for these purposes
  - (ii) the Qualifying Directors shall be deemed to act as a committee of the board, provided that the powers of the board under Article 24.1 shall not apply to such committee,
  - (iii) except as provided in (a) above, the proceedings of the Qualifying Directors acting pursuant to this Article shall be governed by these Articles regulating the proceedings of directors so far as they are capable of applying,
  - (iv) a resolution duly adopted by the Qualifying Directors acting pursuant to this Article shall be effective only if approved by a majority of all the Qualifying Directors (a "QD Resolution") and such a resolution shall be binding on the board in accordance with its terms; and
  - (v) the Qualifying Directors may exercise the powers of the Company to the extent necessary or desirable to carry out the intent of any QD Resolution or otherwise give effect to this Article, at all times in the best interests of the Company

### 33.3 Meetings of Qualifying Directors

Notwithstanding any Article to the contrary (other than Article 33.1), a Qualifying Director may, and the secretary at the request of a Qualifying Director shall, call a meeting of the Qualifying Directors or to propose any resolution in relation to the matters referred to in paragraphs (i) and (ii) of Article 33.2.

The quorum for the transaction of the business of the Qualifying Directors shall be a majority of the Qualifying Directors.

### 33.4 Definitions for this article

In this Article 33, the following words and expressions have the meanings set forth below:

"Associate" means any person (i) falling within paragraph (c)(iii) to (vi) (inclusive) of the definition of "related party" in the AIM Rules for Companies (as in force at the date of adoption of these Articles), provided that references therein to "(a)" shall be deemed to be references to the relevant person, (ii) where such person is a limited

partnership, any general partner of such person and if such general partner is a limited partnership, any general partner thereof; (iii) any fund advised, managed or operated (whether solely or jointly with others) by, or the assets (or a substantial part of the assets) of which are managed by, or the general partner of which is, any person in (i) or (ii), or (iv) who is a partner, director, officer, employee or adviser of such person, other than, in each case, the Company or any of its subsidiaries from time to time;

**“Major Shareholder”** means any person who holds, alone or together with its Associates, any legal or beneficial interest directly or indirectly in 30% or more of the issued shares (excluding treasury shares, being qualifying shares to which Sections 162A to 162G of the Companies Act 1985 (as amended) apply) of the Company from time to time or 30% or more of the voting rights (whether attaching to shares or otherwise) of the Company from time to time or who is able, alone or together with its Associates, to control the appointment of directors who are able to exercise a majority of votes at board meetings from time to time, and

**“Qualifying Director”** means an executive or non-executive director who is free from any business or transaction, agreement, arrangement, relationship or other dealings, which could interfere with the exercise of his independent judgement on matters concerning any member of the Major Shareholder and who is independent (within the meaning of A 3 1 of the Combined Code) of the Major Shareholder; provided, that for these purposes each of the persons who is an executive director on the date of adoption of these Articles shall be deemed to be a Qualifying Director.

#### **34. SECRETARY**

##### **34.1 Appointment and removal of secretary**

Subject to the provisions of the Statutes, 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, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit, two or more persons may be appointed as joint secretaries.

#### **35. MINUTES**

##### **35.1 Minutes required to be kept**

The board shall cause minutes to be made in books kept for the purpose:

- (a) of all appointments of officers made by the board; and
- (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, of the board, and of committees of the board, including the names of the directors present at each such meeting.

Any such minutes, if purporting to be signed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts therein stated.

## **36. THE SEAL**

### **36.1 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. Subject as otherwise provided in these Articles, every document which is sealed using the seal must be signed by at least one authorised person in the presence of a witness who attests the signature. An authorised person for this purpose is any director, the secretary or any other person authorised by the directors for the purpose of signing documents to which the seal is applied.

### **36.2 Certificates for shares and debentures**

If the seal is used for sealing securities issued by the Company or documents creating or evidencing securities so issued, any such securities or documents sealed with the seal shall not be required to be signed unless the board decides otherwise or the law otherwise requires.

### **36.3 Official seal for use abroad**

The Company may exercise the powers conferred by Section 39 of the Companies Acts with regard to having an official seal for use abroad

### **36.4 Execution of instrument as a deed under hand**

Where the Statutes so permit, any instrument signed, with the authority of a resolution of the board or of a committee of the board, by one director in the presence of a witness who attests the signature, one director and the secretary or by two directors and expressed to be executed by the Company as a deed shall have the same effect as if executed under seal, provided that no instrument which makes it clear on its face that it is intended by the persons making it to have effect as a deed shall be signed without the authority of the board

### **36.5 Delivery of deeds**

A document which is executed by the Company as a deed shall not be deemed to be delivered by the Company solely as a result of its having been executed by the Company

## **37. REGISTERS**

### **37.1 Overseas and local registers**

Subject to the provisions of the Companies Acts, the Company may keep an overseas or local or other register in any place, and the board may make, amend and revoke any such regulations as it may think fit respecting the keeping of the register

### **37.2 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.

## **38. DIVIDENDS**

### **38.1 Declaration of dividends**

Subject to the provisions of the Statutes, the Company may by ordinary resolution declare that out of profits available for distribution there be paid dividends in favour of the holders of Ordinary Shares, but no dividend shall exceed the amount recommended by the board

### **38.2 Interim dividends**

Subject to the provisions of the Statutes, the board may pay interim dividends if it appears to the board that they are justified by the profits of the Company available for distribution. The board may also 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

### **38.3 Apportionment of dividends**

Except as otherwise provided by these Articles or the rights attached to shares, 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 from a particular date, that share shall rank for dividend accordingly.

### **38.4 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. Where any difficulty arises in regard to the distribution, the board may settle the same as it thinks fit and, in particular, 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.

### **38.5 Scrip dividends**



The directors may, if authorised by an ordinary resolution of the Company, offer any holders of shares the right to elect to receive shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the directors) of all or any dividends specified by the ordinary resolution. The following provisions shall apply

- (a) An ordinary resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period
- (b) The entitlement of each holder of shares to new shares shall be such that the relevant value of the entitlement (calculated by reference to the average quotation) shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forego. For this purpose the "average quotation" of a share shall be the average of the aggregate middle market quotations for those shares on the alternative investment market of London Stock Exchange Plc at close of business on the day on which the 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 ordinary resolution but shall never be less than the par value of the share.

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

- (c) On or as soon as practicable after announcing that any dividend is to be declared or recommended, the directors, if they intend to offer an election in respect of that dividend, shall also announce that intention. If, after determining the basis of allotment, the directors decide to proceed with the offer, they shall notify the holders of shares in writing of the terms and conditions of the right of election offered to them, specifying the procedure to be followed and place at which, and the latest time by which, elections or notices amending or terminating existing elections must be lodged in order to be effective.
- (d) The directors shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be appropriated to give effect to it after the basis of allotment is determined.
- (e) The directors may exclude from any offer any holders of shares where the directors believe 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
- (f) The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable in cash on shares in respect of which an election has been made (the "elected shares") and instead additional shares shall be allotted to the holders of the elected shares on the basis stated in (b) above. For such purpose the directors shall appropriate out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for

distribution as the directors may determine a sum equal to the aggregate nominal amount of the additional shares to be allotted and apply it in paying up in full the appropriate number of unissued shares for allotment and distribution to the holders of the elected shares on the basis stated in (b) above

- (g) The additional shares when allotted shall rank *par passu* in all respects with the fully paid shares of the same class then in issue except that they will not be entitled to participate in the relevant dividend
- (h) No fraction of a share shall be allotted. The directors may make such provision as they think fit for any fractional entitlements including provision 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 holder and such accruals or retentions are applied to the allotment of fully paid shares to such holder and/or provision whereby cash payments may be made to holders in respect of their fractional entitlements
- (i) The directors may do all acts and things considered necessary or expedient to give effect to the allotment and issue of any shares pursuant to this Article or otherwise in connection with any offer made pursuant to this Article and may authorise any person, acting on behalf of the holders concerned, to enter into an agreement with the Company providing for such allotment and incidental matters and any agreement made under such authority shall be effective and binding on all concerned
- (j) The directors may, in their discretion, amend, suspend or terminate any offer which is in operation

#### 38.6 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 in respect of that share

#### 38.7 Procedure for payment

Any dividend or other moneys payable in respect of a share may be paid by cheque or warrant 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 or warrant shall be made payable to the order of 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 or other funds transfer system and dividend warrant) which the board considers appropriate, and to or

through such person as the holder or joint holders may in writing direct. The Company shall have no responsibility for any sums lost or delayed in the course of any such transfer, or where it has acted on any such directions.

**38.8 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 the share.

**38.9 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. The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if such instruments have been returned undelivered to, or left uncashed by, that member on at least two consecutive occasions. The entitlement conferred on the Company by this Article in respect of any member shall cease if such member claims a dividend or cashes a dividend warrant or cheque.

**39. CAPITALISATION OF PROFITS AND RESERVES**

**39.1 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 undistributed profits of the Company not required for paying any preferential 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) make such provision by authorising the sale and transfer to any person of fractions to which any members would become entitled or 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,

- (d) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for either:
  - (i) the allotment to such members respectively, credited as fully paid, of any shares, debentures or other obligations to which they are entitled upon such capitalisation; or
  - (ii) the payment up by the Company on behalf of such members (by the application thereto of their respective proportions of the profits resolved to be capitalised) of the amounts, or any part of the amounts, remaining unpaid on their existing shares, and any agreement made under such authority shall be binding on all such members, and
- (e) generally do all acts and things required to give effect to such resolution as aforesaid

#### **40. RECORD DATES**

##### **40.1 Record dates for dividends, etc.**

Notwithstanding any other provision of these Articles, 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 within six months before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made

#### **41. AUDITORS**

##### **40.1 Appointment of auditors**

The auditors of the Company shall be appointed and their duties regulated in accordance with the provisions of the Companies Acts.

#### **42. ACCOUNTS**

##### **42.1 Rights to inspect records**

No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the board or by ordinary resolution of the Company or order of a court of competent jurisdiction

##### **42.2 Delivery of balance sheets and profit and loss accounts**

A copy of every balance sheet and profit and loss account (including any documents required by law to be annexed thereto) which is to be laid before the Company in a general meeting and of the directors' and auditors' reports (together, the "Report & Accounts") shall, at least twenty-one days prior to the meeting, be, sent by post or by

using Electronic Communications to an address for the time being notified to the Company by such persons to every holder of Ordinary Shares and to every debenture holder of the Company of whose address the Company is aware, and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Statutes or of these Articles or, in the case of joint holders of any share or debenture, to one of the joint holders, provided that the requirements of this Article shall be deemed satisfied in relation to a member by sending to such person, where permitted by the Companies Acts and instead of such copies, a summary financial statement derived from the Report and Accounts which is prepared in a form and containing the information prescribed by the Companies Acts and any regulations made thereunder; provided that the foregoing shall not require any copy of such documents to be sent to any person of whose address the Company is not aware

For the purposes of this Article, "address", in relation to Electronic Communications, includes any number or address used for the purposes of such communications.

The Report & Accounts to be delivered or sent to every holder of Ordinary Shares and to every debenture holder of the Company of whose address the Company is aware, and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Statutes, these Articles, the relevant provisions of the AIM Rules, or, in the case of joint holders of any share or debenture, to one of the joint holders, are also to be treated as delivered or sent where.

- (a) the Company and that person have agreed that the Report & Accounts required to be given or sent to that person may instead be accessed by him on a web site,
- (b) that person is notified, in a manner for the time being agreed between him and the Company, of the publication of the Report & Accounts on a web site, the address of that web site and the place on that web site where the document may be accessed and how it may be accessed; and
- (c) the Report & Accounts are published in accordance with Article 43 1 below, and such Report & Accounts are to be treated as sent at the time of the notification mentioned in Article 42.2(b) above

42.3 Where the Report & Accounts are required by Article 42.2(b) above to be published in accordance with this Article 42.3, they shall be treated as so published only if the Report & Accounts are published on the web site throughout the period beginning at least 21 days before the date of the meeting at which they are to be laid before the Company and ending with the conclusion of that meeting and the notification referred to in Article 42 2(b) above is given not less than 21 days before the date of the meeting, but so that nothing in this Article 42.3 shall invalidate the proceedings of the meeting where the Report & Accounts are published for a part, but not all, of the 21-day period and the failure to publish the Report & Accounts throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid

## **43. NOTICES**

43.1 When notice required to be in writing

Any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the board) shall be in writing or shall be given using Electronic Communications to an address for the time being notified for that purpose to the person giving the notice

For the purposes of this Article, "address", in relation to Electronic Communications, includes any number or address used for the purposes of such communications

#### 43.2 Method of giving notice

The Company may serve or deliver any notice or other document 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 or by giving it using Electronic Communications to an address for the time being notified to the Company by the member. 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, or an address to which notices may be sent using Electronic Communications, shall be entitled to have notices given to him at that address, but otherwise:

- (a) no such members shall be entitled to receive any notice from the Company, and
- (b) without prejudice to the generality of the foregoing, any notice of general meeting of the Company which is in fact given or purports to be given to such members shall be ignored for the purpose of determining the validity of the proceedings at such general meeting.

For the purposes of this Article, "address", in relation to Electronic Communications, includes any number or address used for the purposes of such communications

#### 43.3 Deemed receipt of notice

A member present, either in person or by proxy, 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

#### 43.4 Notice to persons entitled by transmission

A notice or other document may be served or delivered by the Company on or to any person 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 to such person at the address, if any within the United Kingdom supplied for that purpose by such person. 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

43 5 Transferees etc bound by prior notice

Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register, has been duly given to a person from whom he derives his title.

43 6 When notices by post or Electronic Communication deemed served

Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice sent by post shall be deemed to be given

- (a) if sent by first class post from an address in the United Kingdom or another country to another address in the United Kingdom or, as the case may be, that other country, on the day following that on which the envelope containing it was posted,
- (b) if sent by airmail from an address in the United Kingdom to an address outside the United Kingdom, on the day following that on which the envelope containing it was posted, and
- (c) in any other case, on the second day following that on which the envelope containing it was posted

Proof that a notice contained in an Electronic Communication was sent in accordance with guidelines issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice contained in an Electronic Communication shall be deemed to be given at the expiration of 48 hours after the time it was sent

43 7 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 in the United Kingdom as a result of the suspension or curtailment of postal services, notice of such general meeting may be sufficiently given by advertisement in the United Kingdom. Any notice given by advertisement for the purpose of this Article shall be advertised on the same date in at least two daily newspapers having a national circulation and such notice shall be deemed to have been served on all persons who are entitled to have notice of meetings served on them at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

43.8 Nothing in these Articles shall affect any requirement of applicable laws and regulations that any notice be served in any particular manner

**44. DESTRUCTION OF DOCUMENTS**

44 1 Power of Company to destroy documents

Subject to the Statutes, 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 and all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment thereof and all instruments of proxy which have been used for the purpose of a poll at any time after the expiration of one year from the date of such use and all instruments of proxy which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the instrument of proxy relates and at which no poll was demanded. 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 provisions aforesaid 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 which 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.

#### **45. UNTRACED SHAREHOLDERS**

##### **45 1 Power to dispose of shares of untraced shareholders**

Subject to the Regulations, 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 respect of the shares in question have been declared 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



- (b) the Company shall as soon as practicable after expiry of the said period of twelve years have inserted advertisements both in a national daily newspaper and in a newspaper circulating in the area of the last known address of such member or other person 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 the Company shall have received no indication either of the whereabouts or of the existence of such member or person.

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.

#### 45.2 Transfer on sale

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 in reference to the sale.

#### 45.3 Proceeds of sale

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, which may be employed in the business of the Company or invested in such investments as the board from time to time thinks fit.

### 46. WINDING UP

#### 46.1 Liquidator may distribute in specie

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Insolvency Act 1986, divide among the holders of Ordinary Shares 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 holders of Ordinary Shares or different classes of Ordinary Shares. 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 holders of Ordinary Shares as he with the like sanction determines, but no holder of Ordinary Shares shall be compelled to accept any assets upon which there is a liability.

**46 2 Disposal of assets by liquidator**

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

**47. INDEMNITY**

47 1 Subject to the provisions of and so far as may be consistent with the Companies Acts, every director, alternate director, secretary or other officer of the Company shall be indemnified by the Company out of its own funds against and exempted by the Company from all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company, and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by any court of competent jurisdiction.

47 2 Without prejudice to the preceding article the board shall have 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, employees of any Relevant Company (as defined in the following article) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme

47 3 For the purpose of the preceding article "Relevant Company" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.