

No. 01432059

THE COMPANIES ACT 2006  
COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

Walker Crips Group plc  
Adopted on 16 July 2010

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**ARTICLES OF ASSOCIATION**

**of**

**WALKER CRIPS GROUP PLC**

**(Adopted on      July 2010)**

**1. EXCLUSION OF TABLE A**

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, or in addition to, the regulations or articles of the company

**2. DEFINITIONS**

(A) The following gives the meaning of certain words and expressions as they are used in these articles. However, the meaning given does not apply if it is not consistent with the context in which a word or expression appears. At the end of these articles there is a Glossary which explains various words and expressions which appear in the text. The Glossary is not part of the articles of association and does not affect their meaning

<b>“Act”</b>	the Companies Act 2006,
<b>“address”</b>	includes any number or address used for the purposes of any communication by electronic means,
<b>“amount” (of a share)</b>	this refers to the nominal amount of the share,
<b>“these articles”</b>	means these articles of association as altered from time to time and the expression “this article” will be construed accordingly,
<b>“auditors”</b>	means the auditors from time to time of the company or, in the case of joint auditors, any one of them,
<b>“approved depositary”</b>	this means someone appointed
	(a) to hold the company’s shares or any rights or

interests in any of the company's shares, and

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

A nominee acting for someone appointed to do these things will also be treated as an approved depositary. But the arrangements for the approved depositary to do the things described above must be approved by the directors. The trustees of any scheme or arrangements for or principally for the benefit of employees or former employees of the company and its subsidiaries may also be treated as an approved depositary if the directors decide to allow this, either generally or in a particular case. References in the articles to an approved depositary or to shares held by it refer only to an approved depositary and to its shares held in its capacity as an approved depositary,

<b>"certificated share"</b>	means a share which is recorded in the register as being held in certificated form,
<b>"chairman"</b>	means the chairman of the board of directors,
<b>"clear days"</b>	in relation to the period of notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect,
<b>"directors"</b>	means the directors of the company or the directors present at a duly convened meeting of directors at which a quorum is present,
<b>"electronic form"</b>	has the meaning given to it in the Act,
<b>"electronic means"</b>	has the meaning given to it in the Act,
<b>"group"</b>	the company and its subsidiaries for the time being,
<b>"holder"</b>	in relation to any shares means the person whose name is entered in the register as the holder of those shares,
<b>"issuer – instruction"</b>	means a properly authenticated dematerialised

	instruction attributable to a participating issuer,
<b>“legislation”</b>	means every statute (and any orders, regulations or other subordinate legislation made under it) applying to the company,
<b>“Listing Rules”</b>	means the rules and regulations which are made from time to time by the relevant competent authority for the purposes of the regulation of the listing of the company's securities,
<b>“London Stock Exchange”</b>	London Stock Exchange plc,
<b>“office”</b>	means the registered office of the company,
<b>“Official List”</b>	means the Official List of the UK Listing Authority,
<b>“Operator”</b>	has the meaning given to it in the Uncertificated Securities Regulations,
<b>“Operator-instruction”</b>	means a properly authenticated dematerialised instruction attributable to an Operator,
<b>“ordinary shareholder”</b>	means a holder of any ordinary shares,
<b>“ordinary shares”</b>	means any class of ordinary shares in the share capital of the company existing from time to time,
<b>“paid up”</b>	means paid up or credited as paid up,
<b>“participating issuer”</b>	has the meaning given to it in the Uncertificated Securities Regulations,
<b>“pay”</b>	includes any kind of reward or payment for services,
<b>“register”</b>	means the company's register of shareholders,
<b>“relevant system”</b>	relevant system, as defined in the Uncertificated Securities Regulations,
<b>“seal”</b>	means any common or securities seal that the company may be permitted to have under the legislation,
<b>“secretary”</b>	means the secretary, or (if there are joint secretaries), any one of the joint secretaries, of the company and includes an assistant or deputy secretary and any person appointed by the directors to perform any of

	the duties of the secretary,
<b>“shareholder”</b>	means a holder of the company's shares,
<b>“subsidiary”</b>	has the meaning given to it in section 1159 of the Act,
<b>“subsidiary undertaking”</b>	has the meaning given to it in section 1162 of the Act,
<b>“treasury shares”</b>	has the meaning given to it in the legislation,
<b>“Uncertificated Securities Regulations”</b>	means the Uncertificated Securities Regulations 2001,
<b>“uncertificated share” or “participating security”</b>	means a share where the title to the share is recorded in the register as being held in uncertificated form and where that title may be transferred by means of a relevant system, as a result of the Uncertificated Securities Regulations,
<b>“UK Listing Authority”</b>	means the Financial Services Authority acting in its capacity as competent authority for the purposes of the Financial Services and Markets Act 2000,
<b>“United Kingdom”</b>	means Great Britain and Northern Ireland
(B)	References in these articles to a document being “executed” include references to its being executed under hand or under seal or by any other method and, in the case of a communication in electronic form, are to its being authenticated as specified in the Act or in such manner as approved by the directors
(C)	References in these articles to “writing” and to any form of “written” communication include, subject to any terms and conditions decided on by the directors, references to any method of representing or reproducing words in a legible and non-transitory form whether sent or supplied in electronic form or otherwise
(D)	Any words or expressions defined in the legislation in force when these articles or any part of these articles become effective will (if not inconsistent with the subject or context in which they appear) have the same meaning in these articles or that part save the word “company” which includes any body corporate
(E)	When any legislation, or a specific provision of legislation, is referred to in these articles, this includes any amendment to such legislation or provision, as well as any later legislation in which the legislation or provision is included
(F)	Where these articles give a power or authority to anybody, this power or authority can be used on any number of occasions, unless the way in which the word is used does not allow this meaning

- (G) References to a meeting in these articles will not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person
- (H) Headings in these articles are only included for convenience They do not affect the meanings of these articles
- (I) Where these articles refer to a person who is entitled to a share by law, this includes a person who is entitled to the share as a result of the death or bankruptcy of a shareholder
- (J) Where these articles refer to months or years, these are calendar months or years
- (K) Where these articles refer to something in the singular, it includes a reference to the plural and vice versa and where the articles refer to the masculine gender, that includes the feminine

### **3. FORM OF RESOLUTION**

Where anything can be done by passing an ordinary resolution, this can also be done by passing a special resolution

### **4. OBJECTS**

Nothing in these articles shall constitute a restriction on the objects of the company to do (or omit to do) any act and, in accordance with section 31(1) of the Act, the company's objects are unrestricted

### **5. LIMITED LIABILITY**

The liability of the shareholders is limited to the amount, if any, owed to the company for their shares

### **6. NAME**

The company's name may be changed by the directors

### **7. RIGHTS ATTACHED TO SHARES**

Subject to the legislation, the company can issue shares with any rights or restrictions attached to them as long as this is not restricted by any rights attached to existing shares. These rights or restrictions can be decided either by an ordinary resolution passed by the shareholders or by the directors as long as there is no conflict with any resolution passed by the shareholders. Subject to the foregoing, all shares in the company from time to time shall have the rights attaching to the relevant class as set out in these articles and shall rank equally with all other shares of the same class

## **8. REDEEMABLE SHARES**

- (A) Subject to the legislation and to any rights attached to existing shares, the company can issue shares which can be redeemed. This can include shares which can be redeemed if the holders want to do so, as well as shares which the company can insist on redeeming.
- (B) The directors may determine the terms, conditions and manner of redemption of any redeemable shares which are issued.

## **9 VARIATION OF RIGHTS**

If the legislation allows this, the rights attached to any class of shares can be changed or abrogated if this is approved by a special resolution passed at a separate meeting of the holders of the relevant class of shares. This is called a "class meeting".

The provisions of this article will apply to any change or abrogation of rights of shares forming part of a class. Each part of the class which is being treated differently is treated as a separate class in applying this article.

## **10. PARI PASSU ISSUES**

If new shares are created or issued which rank equally with any other existing shares, the rights of the existing shares will not be regarded as changed or abrogated unless the terms of the existing shares expressly say otherwise.

## **11. SHARE CAPITAL**

- (A) There is no limit on the number of shares that may be allotted by the company, though the authority of the directors to allot shares and equity securities is regulated by article 12.
- (B) The directors can decide how to deal with any shares. They can allot shares on terms which includes the right to transfer the allotment to another person before any person has been entered on the register. This is known as the right to renounce the allotment. The directors can impose terms and conditions regarding rights to renounce. The directors may also offer the shares for sale, grant options to acquire them, allot them or dispose of the shares in any other way. The directors are free to decide whom they deal with, when they deal with the shares and the terms on which they deal with the shares. However, in making their decision they must take account of
  - (i) the provisions of the legislation relating to authority, pre-emption rights and other matters,
  - (ii) any resolution of a general meeting which is passed under the legislation,
  - (iii) any rights attached to existing shares

## 12. THE DIRECTORS' AUTHORITY TO ALLOT SHARES AND "EQUITY SECURITIES"

(A) This article regulates the authority of the directors to allot, or grant rights in respect of, shares as required by section 549 of the Act and their power to allot equity securities for cash. This article will apply for the first time when the shareholders pass a resolution or resolutions at a general meeting to fix a prescribed period, one or more Section 551 Amounts and a Section 561 Amount by reference to this article.

(B) The directors are authorised, generally and without conditions, under section 551 of the Act, to allot shares or to grant rights to subscribe for or to convert any security into shares. They are authorised to allot shares and grant rights for any prescribed period. The maximum amount of shares which the directors can allot and rights which they can grant in each prescribed period may be expressed as a single amount, or as two (or more) separate amounts for the same or different purposes, each of which is a "**Section 551 Amount**".

(C) Subject (other than in relation to the sale of treasury shares) to directors being generally authorised to allot shares or grant rights in respect of, shares pursuant to article 12(B), the directors shall have the power to allot equity securities, entirely paid for in cash, free of the restriction in section 561 of the Act. They have the power to allot them for any prescribed period. Subject to the Section 551 Amount, there is no maximum amount of equity securities which the directors can allot when the allotment is in connection with a rights issue. In all other cases, the maximum amount of equity securities which the directors can allot is the "**Section 551 Amount**".

(D) During any prescribed period, the directors can make offers and enter into agreements which would, or might, require shares or other securities to be allotted after that period has ended.

(E) For the purposes of this article

(i) "**rights issue**" means an offer of equity securities which is open for a period decided on by the directors to the holders who are registered on a particular date (chosen by the directors) as holders of

(a) ordinary shares, in proportion to their holdings of ordinary shares, and

(b) other classes of equity securities or non equity securities which give them the right to receive the offer in accordance with their rights.

However, the directors can do the following things (and the issue will still be treated as a rights issue for the purpose of this article if they do so)

(c) sell any fractions of equity securities to which people would be entitled and keep the net proceeds for the company's benefit or make other appropriate arrangements to deal with such fractions,

(d) make the rights issue subject to any limits or restrictions which the directors think are necessary or appropriate to deal with legal or practical problems under the laws of any territory, or under the requirements of any recognised regulatory body, or stock exchange, in any territory or as a result of shares being represented by American Depository Shares, or

(e) treat a shareholder's holdings in certificated form and uncertificated form as separate shareholdings

(ii) "**prescribed period**" means a period of no more than five years fixed by the shareholders by passing a resolution at a general meeting. The shareholders can, by passing further resolutions, renew or extend this power for periods of no more than five years each. Such resolutions can take the form of

- an ordinary resolution fixing a period under article 12(B), or
- a special resolution fixing a period under article 12(C), or
- a special resolution fixing identical periods under article 12(B) and 12(C)

(F) The Section 551 Amounts for any prescribed period are those stated in a relevant resolution passed by the shareholders at a general meeting

(G) The Section 561 Amount for any prescribed period is that stated in a relevant special resolution passed by the shareholders at a general meeting

(H) In working out any maximum amounts of securities referred to in this article, the nominal value of rights to subscribe for shares, or to convert any securities into shares, will be taken as the nominal value of the shares which would be allotted if the subscription or conversion takes place

(I) Article 12(C) applies to a sale of shares which is treated as an allotment of shares because of Section 560(3) of the Act, but as if the words "Under the directors' general authority in article 12(B), they" were omitted and the words "The directors" were substituted

### **13 PAYMENT OF COMMISSION**

In connection with any share issue, the company can use all the powers given by the legislation to pay commission

### **14 TRUST NOT RECOGNISED**

The company will only be affected by, or recognise, a current and absolute right to whole shares. The fact that any share, or any part of a share, may not be owned outright by the registered owner (for example, where a share is held by one person as a nominee or

otherwise as a trustee for another person) is not of any concern to the company. This applies even if the company knows about the ownership of the share. The only exceptions to this are where the rights of the kind described are expressly given by these articles or are of a kind which the company has a legal duty to recognise.

## 15. UNCERTIFICATED SHARES

- (A) Under the Uncertificated Securities Regulations, the directors can allow the ownership of any share to be evidenced without a share certificate and to be transferred through a relevant system.
- (B) If the company has any shares in issue which are in uncertificated form, these articles apply to those shares but only so far as they are consistent with -
  - (i) the holding of shares in uncertificated form,
  - (ii) transferring shares by means of a relevant system, or
  - (iii) any provision of the Uncertificated Securities Regulations
- (C) The directors can select and make arrangements for any class of shares to be a participating security, for the purposes of the Uncertificated Securities Regulations. As long as the directors comply with the Uncertificated Securities Regulations and the rules of the relevant system, they can also withdraw a class of shares from being a participating security.
- (D) Without prejudice to the generality of article 15(B) and notwithstanding anything contained in these articles, where any class of share is, for the time being, a participating security -
  - (i) the register relating to shares of that class shall be maintained at all times in the United Kingdom,
  - (ii) unless the directors otherwise determine, shares of that class held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings,
  - (iii) shares of that class may be changed from uncertificated to certificated form and from certificated to uncertificated form in accordance with the Uncertificated Securities Regulations,
  - (iv) the company shall comply with the provisions of regulations 25 and 26 of the Uncertificated Securities Regulations in relation to shares of that class,
  - (v) the provisions of these articles with respect to meetings of or including holders of shares of that class, including notices of such meeting, shall have effect subject to the provisions of regulation 41 of the Uncertificated Securities Regulations, and

- (vi) article 16 shall not apply so as to require the company to issue a certificate to any person holding shares of that class in uncertificated form
- (E) The company shall be entitled to assume that the entries on any record of securities maintained by it in accordance with the Uncertificated Securities Regulations are regularly reconciled with the relevant Operator register of securities and are a complete and accurate copy of the particulars entered in the Operator register of securities Accordingly, the company shall not be liable in respect of any act or thing done or omitted to be done by or on behalf of the company in reliance upon such assumption, in particular, any provision of these articles which requires or envisages that action will be taken in reliance on information contained in the register shall be construed to permit that action to be taken in reliance on information contained in any relevant record of securities (as so maintained and reconciled)

## **16. RIGHT TO SHARE CERTIFICATES**

- (A) When a shareholder is first registered as the holder of any class of shares, he is entitled, free of charge, to one certificate for all of the certificated shares of that class which he holds A certificate must state the number, class and any distinguishing numbers of the shares to which it relates and the amount paid up on those shares If a shareholder holds certificated shares of more than one class, he is entitled to a separate share certificate for each class This does not apply if the legislation allows the company not to issue share certificates
- (B) If a shareholder gets more certificated shares of any class, he is entitled, without charge, to a certificate for the extra shares
- (C) If a shareholder transfers some of the shares represented by a share certificate, he is entitled, free of charge, to a new certificate for the balance to the extent the balance is to be held in certificated form
- (D) Where a certificated share is held jointly, the company does not have to issue more than one certificate for that share When the company delivers a share certificate to one joint shareholder, this is treated as delivery to all of the joint shareholders
- (E) The company can deliver a certificate to a broker or agent who is acting for a person who is buying the shares in a certificated form, or who is having the shares in certificated form transferred to him
- (F) The time limit for the company to provide a share certificate under this article is as prescribed by the legislation

## **17 REPLACEMENT OF SHARE CERTIFICATES**

- (A) If a shareholder has two or more share certificates for shares of the same class, he can ask the company for these to be cancelled and replaced by a single new certificate The company must comply with this request

- (B) A shareholder can ask the company for a new certificate if the original is
  - (i) damaged or defaced, or
  - (ii) said to be lost, stolen or destroyed
- (C) If a certificate has been damaged or defaced, the company can require the certificate to be returned to it before issuing a replacement. If a certificate is said to be lost, stolen or destroyed, the company can require satisfactory evidence of this and insist on receiving an indemnity before issuing a replacement
- (D) The directors can require the shareholder to pay the company's exceptional out-of-pocket expenses incurred in connection with the issue of any certificates under this article
- (E) Any one joint shareholder can request replacement certificates under this article
- (F) A shareholder can ask the company to cancel and replace a single share certificate with two or more certificates in such proportions as the shareholder may specify, for the same total number of shares. The company may, but does not have to, comply with such a request

## **18. EXECUTION OF SHARE CERTIFICATES**

Share certificates must be signed under a seal or in such other way as the directors decide. The directors can resolve that signatures on any share certificates can be applied to the certificates by mechanical, electronic or other means or can be printed on them or that the certificates need not be signed at all.

## **19 COMPANY'S LIEN ON SHARES NOT FULLY PAID**

The company has a lien on all partly paid shares. This lien has priority over claims of others to the shares. The lien is for any money owed to the company for the shares. The directors can decide to give up any lien which has arisen and can also decide to suspend any lien which would otherwise apply to particular shares. This lien also extends to dividends and other amounts payable in respect of the shares.

## **20 ENFORCING LIEN BY SALE**

If a shareholder fails to pay the company any amount due on his partly paid shares, the directors can enforce the company's lien by selling all or any of them in any way they decide. The directors cannot, however, sell the shares until all the following conditions are met:

- (i) the money owed by the shareholder must be payable immediately,
- (ii) the directors must have given notice to the shareholder. The notice must state the amount of money due, it must demand payment of this sum and state that the shareholders' shares may be sold if the money is not paid,

- (iii) the notice must have been served on the shareholder or on any person who is entitled to the shares by law and can be served in any way that the directors decide, and
- (iv) the money has not been paid by at least 14 clear days after the notice has been served

The directors can authorise any person to sign a document transferring the shares. Any such transferee will not be bound to ensure that his purchase moneys are transferred to the person whose shares have been sold, nor will his ownership of the shares be affected by any irregularity or invalidity in relation to the sale to him.

## **21. APPLICATION OF PROCEEDS OF SALE**

If the directors sell any shares on which the company has a lien, the proceeds will first be used to pay the company's expenses associated with the sale. The remaining money will be used to pay off the amount which is then payable on the shares and any balance will be passed to the former shareholder or to any person who would otherwise be entitled to the shares by law. But the company's lien will also apply to any such balance to cover any money still due to the company in respect of the shares which is not immediately payable. The company has the same rights over the money as it had over the shares immediately before they were sold. The company need not pay over anything until the certificate representing the shares sold has been delivered to the company for cancellation.

## **22. CALLS**

The directors can call on shareholders to pay any money which has not yet been paid to the company for their shares. This includes the nominal value of the shares and any premium which may be payable on those shares. If the terms of issue of the shares allow this, the directors can do any one or more of the following:

- (i) make calls at any time and as often as they think fit,
- (ii) decide when and where the money is to be paid,
- (iii) decide that the money may be paid by instalments, and/or
- (iv) revoke or postpone any call

A shareholder who has received at least 14 clear days' notice giving details of the amount called and of the time and place for payment, must pay the call as required by the notice. A person remains liable to pay calls even after he has transferred the shares to which they relate.

## **23. TIMING OF CALLS**

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

## **24. LIABILITY OF JOINT HOLDERS**

Joint shareholders are jointly and severally liable to pay any calls in respect of their shares. This means that any of them can be sued for all the money due on the shares or they can be sued together.

## **25. INTEREST DUE ON NON-PAYMENT**

Where a call is made and the money due remains unpaid, the shareholder will be liable to pay interest on the amount unpaid from the day it is due until it has actually been paid. The directors will decide on the annual rate of interest, which must not exceed 15 per cent. The shareholder will also be liable to pay all expenses incurred by the company as a result of the non-payment of the call. The directors can decide to forego payment of any or all of such interest or expenses.

## **26. SUMS DUE ON ALLOTMENT TREATED AS CALLS**

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

## **27. POWER TO DIFFERENTIATE**

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

## **28. PAYMENT OF CALLS IN ADVANCE**

The directors can accept payment in advance of some or all of the money from a shareholder before he is called on to pay that money. The directors can agree to pay interest at a rate (not exceeding (unless the company passes an ordinary resolution to allow a higher rate) 15 per cent per annum) fixed by the directors on money paid in advance until it would otherwise be due to the company.

## **29. NOTICE IF CALL OR INSTALMENT NOT PAID**

If a shareholder fails to pay a call or an instalment of a call when due, the directors can send the shareholder a notice requiring payment of the unpaid amount, together with any interest accrued and any expenses incurred by the company as a result of the failure to pay.

## **30. FORM OF NOTICE**

This notice must

- (i) demand payment of the amount immediately payable, plus any interest and expenses,

- (ii) give the date by when the total amount due must be paid. This must be at least 14 clear days after the date of the notice,
- (iii) say where the payment must be made, and
- (iv) say that if the full amount demanded is not paid by the time and at the place stated, the company can forfeit the shares on which the call or instalment is outstanding

The directors can accept the surrender of any share which would otherwise be forfeited. Where they do so, references in these articles to forfeiture include surrender

### **31. FORFEITURE FOR NON-COMPLIANCE WITH NOTICE**

If the notice is not complied with, the shares it relates to can be forfeited at any time while any amount is still outstanding. This is done by the directors passing a resolution stating that the shares have been forfeited. The forfeiture will extend to all dividends and other sums payable in respect of the forfeited shares which have not been paid before the forfeiture

### **32. NOTICE AFTER FORFEITURE**

After a share has been forfeited, the company will notify the person whose share has been forfeited. However, the share will still be forfeited even if such notice is not given. An entry of the notice and the date of forfeiture will be made in the register

### **33. SALE OF FORFEITED SHARES**

- (A) A forfeited share becomes the property of the company and the directors can sell or dispose of it on any terms and in any way that they decide. This can be with, or without, a credit for any amount previously paid up for the share. It can be sold or disposed of to any person, including the previous shareholder or the person who was previously entitled to the share by law. The directors can, if necessary, authorise any person to transfer a forfeited share
- (B) After a share has been forfeited, the directors can cancel the forfeiture, but only before the share has been sold or disposed of. This cancellation of forfeiture can be on any terms the directors decide

### **34. ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

When a person's shares have been forfeited, he will lose all rights as a shareholder in respect of those forfeited shares. He must return any share certificate for the forfeited shares to the company for cancellation. However, he will remain liable to pay calls which have been made, but not paid, before the shares were forfeited. He must also pay interest on the unpaid amount until it is paid. The directors can fix the annual rate of interest, but it must not be more than 15 per cent. The shareholder continues to be liable for all claims and demands which the company could have made relating to the forfeited share. He is not entitled to any credit for the value of the share when it was forfeited or for any consideration received on its

disposal unless the directors decide to allow credit for all or any of that value. The directors can decide to waive payment of any or all amounts for which the shareholder would otherwise be liable under this article.

### **35. STATUTORY DECLARATION AS TO FORFEITURE**

(A) A director or the secretary can make a statutory declaration declaring

- (i) that he is a director or the secretary of the company,
- (ii) that a share has been properly forfeited under the articles,
- (iii) when the share was forfeited, and
- (iv) if relevant, the date that the share was sold or disposed of.

The declaration will be evidence of these facts which cannot be disputed.

(B) If such a declaration is delivered to a new holder of a share along with a completed transfer form (if one is required), this gives the buyer good title. The new shareholder does not need to take any steps to see how any money paid for the share is used. His ownership of the share will not be affected if the steps taken to forfeit, sell or dispose of the share were invalid or irregular, or if anything that should have been done was not done.

### **36. TRANSFER**

#### **(A) Certificated shares**

Unless these articles say otherwise, any shareholder can transfer some or all of his certificated shares to another person. A transfer of certificated shares must be made in writing and either in the usual standard form or in any other form approved by the directors.

#### **(B) Uncertificated shares**

Unless these articles say otherwise, any shareholder can transfer some or all of his uncertificated shares to another person. A transfer of uncertificated shares must be made by means of a relevant system and must comply with the Uncertificated Securities Regulations.

### **37. EXECUTION OF TRANSFER**

(A) A share transfer form must be signed or made effective in some other way by, or on behalf of, the person making the transfer.

(B) In the case of a transfer of a share held in certificated form, where the share is not fully paid, the share transfer form must also be signed or made effective in some other way by, or on behalf of, the person to whom the share is being transferred.

- (C) The person making a transfer will continue to be treated as a shareholder until the name of the person to whom the share is being transferred is put on the register for that share
- (D) If the company registers a transfer of a share held in certificated form, it can keep the transfer form
- (E) A transfer form must be properly stamped where this is required

### **38. RIGHTS TO DECLINE REGISTRATION OF PARTLY PAID SHARES**

The directors can refuse to register the transfer of any shares which are not fully paid. However, if those shares are admitted to the Official List and to trading on the London Stock Exchange's market for listing securities, the directors may not exercise their powers in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

### **39. OTHER RIGHTS TO DECLINE REGISTRATION**

#### **(A) Certificated shares**

- (i) A share transfer form cannot be used to transfer more than one class of shares. Each class needs a separate form.
- (ii) Transfers cannot be in favour of more than four joint holders.
- (iii) The share transfer form must be delivered to the office, or any other place decided on by the directors. The transfer form must be accompanied by the share certificate relating to the shares being transferred, unless the transfer is being made by a person to whom the company was not required to, and did not, send a certificate. The directors can also ask (acting reasonably) for any other evidence to show that the person wishing to transfer the share is entitled to do so.

#### **(B) Uncertificated shares**

- (i) The directors can refuse to register a transfer of uncertificated shares in the circumstances set out in the Uncertificated Securities Regulations.
- (ii) Transfers cannot be in favour of more than four joint holders.

### **40. OVERSEAS BRANCH REGISTERS ETC.**

The company can use the powers given by the legislation to keep an overseas, local or other register, or to keep duplicate registers in any place. The directors can make and change any regulations previously made by them relating to any of such registers, as long as the legislation allows this.

## **41. NOTICE OF REFUSAL**

If the directors decide not to register a share transfer, they must notify the person to whom the shares were being transferred. This must be done no later than two months after the company receives the transfer (where the shares are held in certificated form) or the relevant Operator-instruction (where the shares are in uncertificated form)

## **42. NO FEE FOR REGISTRATION**

No fee is payable to the company for transferring shares or registering changes relating to the ownership of shares

## **43. UNTRACED SHAREHOLDERS**

(A) The company can sell any certificated shares at the best price reasonably obtainable at the time of the sale if

- (i) during the 12 years before the earliest of the notices referred to in paragraph (ii) below, at least three dividends have become payable on the shares and no dividend has been claimed during that period,
- (ii) after the 12 year period, the company has published a notice, stating that it intends to sell the shares. This notice must have appeared in a national newspaper in the United Kingdom and in a local newspaper appearing in the area which includes the address held by the company for serving notices relating to those shares,
- (iii) during the 12 year period and for three months after the last of the notices referred to in paragraph (ii) above appear, the company has not heard from the shareholder or any person entitled to the shares by law, and
- (iv) the company has notified the London Stock Exchange that it intends to sell the shares

If during the 12 year period referred to in paragraph (i) above, further shares have been issued in respect 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 have been satisfied in regard to the further shares, the company may also sell the further shares

(B) To give effect to any sale pursuant to article 43(A), the directors may

- (i) appoint anyone to transfer the shares, where the shares are held in certificated form, or
- (ii) do all acts and things it considers necessary or expedient to transfer the shares, where the shares are held in uncertificated form

- (C) Any transfer made in accordance with article 43(B) shall be as effective as if it had been done by the holder of, or the person who is entitled to the shares by law. The person to whom the shares are transferred will not be bound to concern himself as to what is done with the purchase moneys nor will his ownership be affected even if the sale is irregular or invalid in any way
- (D) The proceeds of sale will belong to the company, but it must pay an amount equal to the sale proceeds less the costs of the sale to the shareholder who could not be traced, or to the person who is entitled to his shares by law, if that shareholder, or person, asks for it
- (E) After the sale, the company must record the name of the shareholder, or (if known) the person who would have been entitled to the shares by law, as a creditor for the money in its accounts. The company will not be a trustee of the money and will not be liable to pay interest on it. The company can use the money, and any money earned by using the money, for its business or in any other way that the directors decide

#### **44 TRANSMISSION ON DEATH**

- (A) When a sole shareholder or shareholder who is the last survivor of a joint shareholder dies, his personal representatives will be the only people who the company will recognise as being entitled to his shares
- (B) If a joint shareholder dies, the surviving joint shareholder or shareholders will be the only people who the company will recognise as being entitled to his shares
- (C) However, this article does not discharge the estate of any shareholder from any liability

#### **45 ENTRY OF TRANSMISSION IN REGISTER**

A person who becomes entitled to a share by law must provide any evidence of his entitlement which is reasonably required by the directors. The directors must note his entitlement in the register within two months of receiving such evidence

#### **46. ELECTION OF PERSON ENTITLED BY TRANSMISSION**

- (A) A person who becomes entitled to a share by law can either be registered as the shareholder or choose another person to become the shareholder
- (B) If a person who is entitled to a share by law wants to be registered as a shareholder, he must deliver or send a notice to the company saying that he has made this decision. He must sign this notice, which must be in the form specified by the directors. This notice will be treated as a transfer form. All the provisions of the articles about registering transfers of shares apply to it. The directors have the same power to refuse to register a person entitled to the shares by law as they would have

had to refuse to register a transfer by the person who was previously entitled to the shares

(C) If a person who is entitled to a share by law wants the share to be transferred to another person, he must do this, in the case of a certificated share, by signing a transfer form to the person he has selected and, in the case of an uncertificated share, by using a relevant system. The directors have the same power to refuse to register the person selected as they would have had to refuse to register a transfer by the person who was previously entitled to the shares

#### **47. RIGHTS OF A PERSON ENTITLED BY TRANSMISSION**

(A) A person who is entitled to a share by law is entitled to any dividends or other money relating to the share, even though he is not registered as the holder of the share on supplying to the company evidence the directors reasonably require to show his title to the share. However, the directors can send a written notice to the person saying the person must either be registered as the holder of the share or transfer the share to some other person. If the person entitled to a share by law does not do this within 60 days of the notice, the directors can withhold all dividends or other money relating to the share until he does

(B) Unless he is registered as the holder of the share, the person entitled to a share by law is not entitled to

- (i) attend or vote at shareholders' meetings, or
- (ii) exercise any of the other rights of being a shareholder in relation to these meetings,

unless the directors decide to allow this

#### **48. FRACTIONS**

(A) If any shares are consolidated or consolidated and then divided, the directors have power to deal with any fractions of shares which result. If the directors decide to sell any shares representing fractions, they can do so for the best price reasonably obtainable and distribute the net proceeds of the sale among shareholders in proportion to their fractional entitlements. The directors can arrange for any shares representing fractions to be entered in the register as certificated shares if they consider that this makes it easier to sell them. The directors can sell those shares to anyone, including the company if the legislation allows, and can authorise any person to transfer or deliver the shares to the buyer or in accordance with the buyer's instructions. The buyer does not have to take any steps to see how any money he is paying is used and his ownership will not be affected if the sale is irregular or invalid in any way

(B) When the directors consolidate or divide shares, they can treat certificated and uncertificated shares which a shareholder holds as separate shareholdings, as far as the legislation allows this

#### **49. REDUCTION OF CAPITAL**

The company may reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in accordance with the legislation

#### **50. SEPARATE GENERAL MEETINGS**

If a separate general meeting of holders of shares of a class is called otherwise than for changing or abrogating the rights of the shares of that class, the provisions of these articles relating to general meetings will apply to such a meeting with any necessary changes as set out in the legislation or otherwise. For the purposes of this article, a general meeting where ordinary shareholders are the only shareholders who can attend and vote in their capacity as shareholders will also constitute a separate general meeting of the holders of the ordinary shares

#### **51. NOTICE OF GENERAL MEETINGS**

(A) Notice must be given for every general meeting in accordance with the legislation

(B) All shareholders must be given notice of every general meeting. The only exception is those shareholders who are not entitled to receive a notice because of

- (i) a provision in these articles, or
- (ii) the terms of issue of the shares they hold

Notice must also be given to the auditors and the directors

(C) A shareholder who attends any general meeting either in person or by proxy is considered to have received notice of that meeting and, if required, of the purpose for which it was called

#### **52. OMISSION OR NON-RECEIPT OF NOTICE**

If any notice or any other document relating to any meeting (including confirmatory copies of notices of meetings and website notices sent pursuant to article 143) or other proceeding is accidentally not sent, or is not received, the meeting or other proceeding will not be invalid as a result. In this article references to notice or any other document includes communications in electronic form and documents made available on a web site or sites in accordance with the legislation and these articles

### **53. POSTPONEMENT OF GENERAL MEETINGS**

If the directors consider that it is impracticable or unreasonable to hold a general meeting on the date or at the time or place stated in the notice calling the meeting, they can move or postpone the meeting (or do both). If the directors do this, an announcement of the date, time and place of the rearranged meeting will, if practicable, be published in at least two national newspapers in the United Kingdom. Notice of the business of the meeting does not need to be given again. The directors must take reasonable steps to ensure that any shareholder trying to attend the meeting at the original time and place is informed of the new arrangements. If a meeting is rearranged in this way, appointments of proxy are valid if they are received as required by these articles not less than 48 hours before the time of the rearranged meeting. The directors can also move or postpone the rearranged meeting (or do both) under this article.

### **54. QUORUM**

- (A) Before a general meeting starts to do business there must be a quorum present. Unless these articles say otherwise, a quorum for all purposes is two qualifying persons unless
  - (i) each is a qualifying person only because he is authorised to act as the representative of a corporation in relation to the meeting, and they are representatives of the same corporation, or
  - (ii) each is a qualifying person only because he is appointed as proxy of a shareholder in relation to the meeting, and they are proxies of the same shareholder
- (B) For the purposes of this article, a qualifying person means
  - (i) an individual who is a shareholder of the company,
  - (ii) a person authorised to act as the representative of a corporation in relation to the meeting, or
  - (iii) a person appointed as proxy of a shareholder in relation to the meeting
- (C) If a quorum is not present, a chairman of the meeting can still be chosen and this will not be treated as a part of the business of the meeting.

### **55. PROCEDURE IF QUORUM NOT PRESENT**

- (A) This article applies if a quorum is not present within five minutes of the time fixed for a general meeting to start or within any longer period not exceeding one hour which the chairman of the meeting can decide.
- (B) If the meeting was called by shareholders it will be cancelled. Any other meeting will be adjourned for ten clear days (or if that day is a Saturday, a Sunday or a bank holiday, to the next working day), at the same time and place, unless the directors

decide to adjourn it to another day (which must be not less than 14 or more than 28 days later) and to another time or place. In this article references to written notice include communications in electronic form and documents made available on a web site or sites in accordance with the legislation and these articles

(C) One shareholder present in person or by proxy will constitute a quorum at any adjourned meeting and any notice of an adjourned meeting will say this

## 56. SPECIAL BUSINESS AT GENERAL MEETINGS

All the things which take place at a general meeting are regarded as "special" except for the following things if done at an annual general meeting

- (i) the declaration of dividends,
- (ii) the consideration and adoption of the accounts and balance sheet and the reports of the directors and auditors and other documents which are required to be annexed to the accounts,
- (iii) any requirement of any legislation to consider separately a report on directors' remuneration,
- (iv) the re-appointment of directors,
- (v) the appointment of the auditors (unless the legislation requires special notice of the resolution), and
- (vi) fixing or determining the method of fixing the remuneration of the auditors

## 57. CHAIRMAN OF GENERAL MEETING

- (A) The chairman will be the chairman of the meeting at every general meeting, if he is willing and able to take the chair
- (B) If the company does not have a chairman, or if he is not willing and able to take the chair, a deputy chairman of the board of directors will chair the meeting if he is willing and able to take the chair. If more than one deputy chairman is present they will agree between themselves who will take the chair and if they cannot agree, the deputy chairman who has been a director longest will take the chair
- (C) If the company does not have a chairman or a deputy chairman, or if neither the chairman nor deputy chairman is willing and able to chair the meeting, after waiting five minutes from the time that meeting is due to start, the directors who are present will choose one of themselves to act as the chairman of the meeting. If there is only one director present, he will be the chairman of the meeting, if he agrees
- (D) If there is no director willing and able to be the chairman of the meeting, then the shareholders who are personally present at the meeting and entitled to vote will decide which one of them is to be the chairman of the meeting

## **58. SECURITY ARRANGEMENTS AND ORDERLY CONDUCT**

- (A) The directors can put in place arrangements, both before and during any general meeting, which they consider to be appropriate for the proper and orderly conduct of the general meeting and the safety of people attending it. This authority includes power to refuse entry to, or remove from, meetings people who fail to comply with the arrangements
- (B) The chairman of a meeting can take any action he considers appropriate for proper and orderly conduct at a general meeting. The chairman's decision on points of order, matters of procedure or on matters that arise incidentally from the business of a meeting is final, as is the chairman's decision on whether a point or matter is of this nature

## **59. OVERFLOW GENERAL MEETINGS**

- (A) The directors can make arrangements for simultaneous attendance and participation in general meetings by shareholders and proxies entitled to attend such meetings at places other than the place specified in the notice convening the meeting ("the specified place")
- (B) Any arrangements for simultaneous attendance at other places will operate so that any shareholders and proxies excluded from attendance at the specified place are able to attend at one or more of the other places. For the purpose of all other provisions of these articles, any such meeting will be treated as being held and taking place at the specified place
- (C) The right of any shareholder or proxy otherwise entitled to attend a general meeting at the specified place shall be subject to any arrangements that the directors can, at their discretion, make from time to time (whether before or after the date of the notice convening the meeting) to facilitate the organisation and administration of any general meeting by requiring any such person (selected on such basis as the directors may at their discretion decide) to attend the meeting at one or more of the other places

## **60. ENTITLEMENT TO ATTEND AND SPEAK**

Each director can attend and speak at any general meeting. The chairman of a meeting can also allow anyone else to attend and speak where he considers that this will help the business of the meeting.

## **61 ADJOURNMENTS**

- (A) The chairman of a meeting can adjourn the meeting before or after it has started, and whether or not a quorum is present, if he considers that
  - (i) there is not enough room for the number of shareholders who wish to attend the meeting,

- (ii) the behaviour of anyone present prevents, or is likely to prevent, the business of the meeting being carried out in an orderly way, or
- (iii) an adjournment is necessary for any other reason, so that the business of the meeting can be properly carried out

The chairman of the meeting does not need the consent of the meeting to adjourn it for any of these reasons to a time, date and place which he decides. He can also adjourn the meeting to a later time on the same day or indefinitely. If a meeting is adjourned indefinitely, the directors will fix the time, date and place of the adjourned meeting.

- (B) The chairman of a meeting can also adjourn a meeting which has a quorum present if this is agreed by the meeting. This can be to a time, date and place proposed by the chairman of the meeting or the adjournment can be indefinite. The chairman of the meeting must adjourn the meeting if the meeting directs him to. In these circumstances the meeting will decide how long the adjournment will be and where it will adjourn to. If a meeting is adjourned indefinitely, the directors will fix the time, date and place of the adjourned meeting.
- (C) A reconvened meeting can only deal with business that could have been dealt with at the meeting which was adjourned.

## **62. NOTICE OF ADJOURNMENT**

Where a meeting is adjourned indefinitely or for more than three months, notice of the adjourned meeting must be given in the same way as was required for the original meeting. Except where these articles require it, there is no need to give notice of the adjourned meeting or of the business to be considered there.

## **63 AMENDMENTS TO RESOLUTIONS**

- (A) Amendments can be proposed to any resolution if they are clerical amendments or amendments to correct some other obvious error in the resolution.
- (B) No other amendments can be proposed to any special resolution.
- (C) Amendments to an ordinary resolution which are within the scope of the resolution can be proposed if
  - (i) notice of the proposed amendment is delivered to the office at least two working days before the date of the meeting, or adjourned meeting, or
  - (ii) the chairman of the meeting decides that the amendment is appropriate for consideration by the meeting.

No other amendment can be proposed to an ordinary resolution.

#### **64. AMENDMENTS RULED OUT OF ORDER**

If the chairman of a meeting rules that a proposed amendment to any resolution under consideration is out of order, any error in that ruling will not affect the validity of a vote on the original resolution

#### **65. VOTING OF SHAREHOLDERS**

- (A) Shareholders who are present in person or by proxy at a general meeting can vote on a show of hands Subject to paragraph 65(B) below, each shareholder and proxy will have one vote each on a show of hands
- (B) On a vote on a resolution on a show of hands at a general meeting, a proxy has one vote for and one vote against the resolution if
  - (i) the proxy has been duly appointed by more than one shareholder entitled to vote on the resolution, and
  - (ii) the proxy has been instructed by, or exercises his discretion given by, one or more of those shareholders to vote for the resolution and has been instructed by, or exercises his discretion given by, one or more other of those shareholders to vote against it
- (C) On a poll, every shareholder present in person or by proxy will have one vote for every share he holds This is subject to any special rights or restrictions which are given to any class of shares by, or under, these articles

#### **66. METHOD OF VOTING**

- (A) A resolution put to the vote at any general meeting will be decided on a poll unless the chairman of the meeting decides, before the result of the poll is declared, that a resolution should be decided on a show of hands Where a resolution is to be decided on a show of hands, a poll may be demanded when, or before, the chairman of the meeting declares the result of the show of hands A poll can be demanded by
  - (i) the chairman of the meeting,
  - (ii) not less than five shareholders at the meeting who are entitled to vote on the resolution (or their proxies),
  - (iii) one or more shareholders at the meeting (or their proxies) representing between them not less than ten per cent of the total votes of all shareholders having the right to vote on the resolution (excluding any voting rights attached to any shares in the company held as treasury shares), or
  - (iv) one or more shareholders at the meeting (or their proxies) holding shares conferring the right to vote on the resolution on which the total amount which has been paid up on those shares is not less than ten per cent of the total sum paid up on all shares which confer the right to vote on the resolution

(excluding any voting rights attached to any shares in the company held as treasury shares),

and a demand for a poll by a person as proxy for a shareholder shall be as valid as if the demand were made by the shareholder himself

- (B) A demand for a poll can be withdrawn if the chairman of the meeting agrees to this at any time before the earlier to occur of the close of the meeting and the time when the poll is taken
- (C) Where a resolution is to be decided on a show of hands, if no poll is demanded or a demand for a poll is withdrawn, any declaration by the chairman of the meeting of the result of a vote on that resolution by a show of hands will stand as conclusive evidence of the result without proof of the number or proportion of the votes recorded for or against the resolution

## **67 PROCEDURE ON A POLL**

The chairman of the meeting can decide when, where and how a poll will be taken. The chairman of the meeting may appoint scrutineers. The result will be treated as the decision of the meeting at which the resolution was put to shareholders, even if the poll is taken after the meeting

## **68 WHEN POLL TO BE TAKEN**

A poll on a vote to elect the chairman of the meeting, or to adjourn a meeting, must be taken immediately at the meeting. Any other poll can either be taken at the meeting or, if demanded at the meeting, either immediately or within 30 days from the date it was demanded and at a time and place decided on by the chairman of the meeting. It is not necessary to give notice for a poll which is not taken immediately

## **69. CONTINUANCE OF OTHER BUSINESS AFTER POLL DEMAND**

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

## **70. VOTES ON A POLL**

On a poll a shareholder can vote either in person or by his proxy. A shareholder can appoint more than one proxy to attend on the same occasion. A shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way

## **71. CHAIRMAN NOT TO HAVE CASTING VOTE**

Where equal votes are cast at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting shall not be entitled to an additional or casting vote

## **72. VOTES OF JOINT HOLDERS**

If more than one joint shareholder votes (including voting by proxy), the only vote which will count is the vote of the person whose name is listed before the other joint shareholders on the register for the share

## **73. VOTING ON BEHALF OF INCAPABLE SHAREHOLDER**

This article applies where a court or official claiming jurisdiction to protect people who are unable to manage their own affairs has made an order about the shareholder. The person appointed to act for that shareholder can vote for him. He can also exercise any other rights of the shareholder relating to meetings. This includes appointing a proxy, voting on a show of hands and voting on a poll. Before the representative does so however, such evidence of his authority as the directors require must be received at the office not later than the latest time at which proxy forms must be received to be valid for use at the relevant meeting or on the holding of the relevant poll. If a different place for the receipt of the proxy forms which are not communications in electronic form is specified, the evidence must instead be received at that address.

## **74 NO RIGHT TO VOTE WHERE SUMS OVERDUE ON SHARES**

Unless the directors decide otherwise, a shareholder cannot vote shares at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company or exercise any other right conferred by membership in relation to general meetings if he has not paid all amounts relating to those shares which are due at the time of the meeting.

## **75. OBJECTIONS OR ERRORS IN VOTING**

If

- (i) any objection to the right of any person to vote is made,
- (ii) any votes have been counted which ought not to have been counted or which might have been rejected, or
- (iii) any votes are not counted which ought to have been counted,

the objection or error must be raised or pointed out at the meeting (or the adjourned meeting) at which the vote objected to is cast or at which the error occurs. If a vote is not disallowed at a meeting, it is valid for all purposes and if a vote is not counted at a meeting, this will not affect the decision of the meeting. Any objection or error must be raised with or pointed out to the chairman of the meeting and will only affect the decision of the meeting if the chairman decides that the objection or error may have affected the decision of the meeting. The chairman's decision is final.

76. FAILURE TO COMPLY WITH A NOTICE UNDER SECTION 793 OF THE COMPANIES ACT

(A) This article applies if any shareholder, or any person appearing to be interested in shares held by such holder, has been properly served with a notice under section 793 of the Act, requiring information about interests in shares, and has failed for a period of 14 days to supply to the company the information required by that notice. Then the directors can in their absolute discretion give notice (a "direction notice") to the shareholder, that the shareholder is not (for so long as the failure continues) entitled to attend or vote either personally or by proxy at a shareholders' meeting or to exercise any other right in relation to a shareholders' meeting or to exercise any other right in relation to shareholders' meetings as holder of

- (i) the shares in relation to which the default occurred ("default shares"),
- (ii) any further shares which are issued in respect of default shares, and
- (iii) any other shares held by the shareholder holding the default shares

(B) Any person who acquires shares subject to restrictions under article 76(A) is subject to the same restrictions, unless

- (i) the transfer was an approved transfer (as such expression is defined at article 76(K)), or
- (ii) the transfer was by a shareholder who was not himself in default in supplying the information required by the notice under article 76(A) and a signed declaration as referred to in article 76(C) is provided

(C) Where the default shares represent 0.25 per cent or more of the existing shares of a class (excluding any shares of that class held as treasury shares), the direction notice may also state that

- (i) any dividend or part of a dividend or other money which would otherwise be payable on the default shares shall be retained by the company (without any liability to pay interest when such money is finally paid to the shareholder), and/or
- (ii) the shareholder shall not be entitled to elect to receive shares in place of dividends withheld, and/or
- (iii) (subject to the requirements of the relevant system in relation to shares in uncertificated form) no transfer of any of the shares held by the shareholder shall be registered unless
  - (a) either the transfer is an approved transfer,
  - (b) or the shareholder is not himself in default as regards supplying the information required, and (in this case)

- (i) the transfer is of part only of his holding, and
- (ii) when presented for registration, the transfer is accompanied by a signed declaration by the shareholder. This declaration must be in a form satisfactory to the directors and state that after due and careful enquiry the shareholder is satisfied that none of the shares included in the transfer are default shares (and for the purposes of ensuring that article 76(C) can apply to all shares held by the holder, the company may, in accordance with the Uncertificated Securities Regulations, issue a written notification to the Operator requiring the conversion into certificated form of any shares held by the holder in uncertificated form)

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

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

(F) Once a direction notice has been given, the directors are free to cancel it or exclude any shares from it at any time they think fit, but otherwise it has the effect which it states while the default resulting in the notice continues. In addition, a direction notice ceases to apply when the directors decide that the default resulting in the notice has been cured (which they must do within one week of the default being cured). The company must give the shareholder immediate written notice of the directors' decision

(G) A direction notice also ceases to apply to any shares which are transferred by a shareholder in a transfer which would be permitted under article 76(C) even where a direction notice restricts transfers

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

(I) Where the shareholder on which a notice under section 793 of the Act is served is an approved depositary, the obligations of the approved depositary as a shareholder will be limited to disclosing to the company any information relating to any person who appears to be interested in the shares held by it which has been recorded by it in

accordance with the arrangement under which it was appointed as an approved depositary

(J) For the purposes of this article a person is treated as appearing to be interested in any shares if the shareholder holding such shares has been served with a notice under section 793 of the Act and

- (a) the shareholder has named such person as being so interested, or
- (b) (after taking into account the response of the shareholder to such notice and any other relevant information) the company knows or has reasonable cause to believe that the person in question is or may be interested in the shares

(K) For the purposes of this article a transfer of shares is an "approved transfer" if

- (a) it is a transfer of shares to an offeror under an acceptance of a takeover offer (as defined in section 974 of the Act), or
- (b) the directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the shareholder or with any person appearing to be interested in the shares. This includes such a sale made through a recognised stock exchange (as defined in the Financial Services and Markets Act 2000) or any other stock exchange outside the United Kingdom on which the company's shares are normally traded. For this purpose any associate (as that term is defined in section 435 of the Insolvency Act 1986) is included amongst the persons who are connected with the shareholder or any person appearing to be interested in the shares

(L) This article does not restrict in any way the provisions of the legislation which apply to failures to comply with notices under section 793 of the Act

## 77. FORM AND EXECUTION OF PROXIES

(A) A proxy form can be in any form which the directors approve. A proxy form gives the proxy the authority to demand a poll or join others in demanding a poll vote on any amendment to a resolution put to the meeting. Unless it says otherwise, a proxy form is valid for the meeting to which it relates and also for any adjournment of that meeting. A shareholder may appoint more than one proxy for a meeting as long as each proxy is appointed for a different share or shares held by him. References in these articles to the appointment of a single proxy include the appointment of multiple proxies. A proxy need not be a shareholder.

(B) A proxy form must be in writing and executed by the shareholder appointing the proxy, or by an attorney who must have written authority to execute the form. Where the proxy is appointed by a company, the proxy form should either be sealed by that company or executed by someone authorised to execute it.

## 78. RECEIPT OF PROXIES

(A) Proxy forms which are not sent by electronic means must be received at the office, or at any other place stated in the notice of meeting or in the form itself, at least

- (i) 48 hours before a meeting or an adjourned meeting, or
- (ii) 24 hours before a poll is taken, if the poll is not taken on the same day as the meeting or adjourned meeting

If such a proxy form is signed by an attorney, the power of attorney or other authority relied on to sign it (or a copy which has been certified by a notary or an office copy) must be received with the proxy form, unless the power of attorney has already been registered with the company

(B) Proxy forms which are sent by electronic means must be received at an address specified in the notice of meeting or in the form itself or in any invitation contained in a communication in electronic form to appoint a proxy issued by the company in relation to the meeting, at least

- (i) 48 hours before a meeting or an adjourned meeting, or
- (ii) 24 hours before a poll is taken, if the poll is not taken on the same day as the meeting or adjourned meeting

If such a proxy form is signed by an attorney, the power of attorney or other authority relied on to sign it (or a copy which has been certified by a notary or an office copy) must be received at the office, or at any other place stated in the notice of meeting or in the form itself, at least 48 hours before a meeting or an adjourned meeting or 24 hours before a poll is taken if the poll is not taken on the same day as the meeting or adjourned meeting

(C) The directors may specify in the notice of meeting or in the proxy form itself that the time periods set out in articles 78(A) and 78(B) exclude any part of a day that is not a working day (as defined in section 1173(1) of the Act)

(D) If the above requirements are not complied with, the proxy will not be able to act for the person who appointed him

(E) If more than one valid proxy form is received in respect of the same share for use at the same meeting, the one which is received last (regardless of the date on which it is signed) will be treated as the valid form. If it is not possible to determine the order of receipt, none of the forms will be treated as valid

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

## **79. MAXIMUM VALIDITY OF PROXY**

A proxy form will cease to be valid 12 months from the date of its receipt. But it will be valid if it is used at an adjourned meeting, or on a poll after a meeting or an adjourned meeting even after 12 months, if it was valid for the original meeting.

## **80. CANCELLATION OF PROXY'S AUTHORITY**

Any vote cast in the way a proxy form authorises or any demand for a poll made by a proxy will be valid even though

- (i) the person who appointed the proxy has died or is of unsound mind,
- (ii) the proxy form has been revoked,
- (iii) the authority of the person who signed the proxy form for the shareholder has been revoked, or
- (iv) the share in respect of which the proxy has been given, has been transferred

However, this does not apply if

- (i) in the case of proxy forms which are not communications by electronic means, written notice of the relevant fact has been received at the office (or at any other place stated in the notice of meeting or in the proxy form itself) at least
  - (a) 48 hours before the meeting or adjourned meeting, or
  - (b) 24 hours before a poll is taken, if the poll is not taken on the day of the meeting or adjourned meeting,
- (ii) in the case of proxy forms which are communications by electronic means, written notice of the relevant fact has been received at an address specified in the notice of meeting (or in the proxy form itself or in any invitation contained in an communication in electronic form to appoint a proxy issued by the company in relation to the meeting), at least
  - (a) 48 hours before the meeting or adjourned meeting, or
  - (b) 24 hours before a poll is taken, if the poll is not taken on the day of the meeting or adjourned meeting

The time periods set out in this article shall exclude any part of a day that is not a working day (as defined in section 1173(1) of the Act) if the directors have specified that this should be the case under article 78(C).

## 81. SHAREHOLDERS WHICH ARE COMPANIES

- (A) A shareholder which is a company can appoint any person or persons it chooses to act as its representative or representatives at a shareholders' meeting
- (B) The directors may require the company to provide evidence of the appointment under article 81(A), but the directors do not have to do so

## 82. APPROVED DEPOSITARIES

- (A) Subject to these articles and the legislation, an approved depositary can appoint as its proxy or proxies in relation to any ordinary shares which it holds, anyone it thinks fit and can decide how and on what terms to appoint them. Each appointment must state the number of ordinary shares to which it relates. The total number of ordinary shares in respect of which appointments exist at any time must not be more than the total number of ordinary shares (the depositary shares) which are registered in the name of the approved depositary or its nominee at that time
- (B) The approved depositary must keep a register (the "**proxy register**") of each person it has appointed as a proxy under article 82(A) (an "**appointed proxy**") and the number of depositary shares (his "**appointed number**") to which the appointment relates. The directors will decide what information about each appointed proxy is to be recorded in the proxy register. Any person authorised by the company may inspect the proxy register during usual business hours and the approved depositary will give such person any information which he requests as to the contents of the proxy register
- (C) An appointed proxy may only attend a general meeting if he provides the company with written evidence of his appointment as such. This must be in a form agreed between the directors and the approved depositary
- (D) Subject to the legislation and to these articles, and so long as the approved depositary or a nominee of the approved depositary holds at least his appointed number of ordinary shares, an appointed proxy is entitled to attend a general meeting which holders of ordinary shares are entitled to attend, and he is entitled to the same rights, and subject to the same obligations, in relation to his appointed number of depositary shares as if he had been validly appointed in accordance with articles 77 and 78 by the registered holder of these shares as its proxy in relation to those shares
- (E) For the purposes of determining who is entitled as an appointed proxy to exercise the rights conferred by article 82(D) and the number of depositary shares in respect of which a person is to be treated as having been appointed as an appointed proxy for these purposes, the approved depositary can decide that the appointed proxies who are so entitled are the people entered in the proxy register at a time and on a date (a "**record time**") agreed between the approved depositary and the company
- (F) When a record time is decided for a particular purpose -

- (i) an appointed proxy is to be treated as having been appointed for that purpose for the number of shares appearing against his name in the proxy register as at the record time, and
- (ii) changes to entries in the proxy register after the record time will be ignored for this purpose

(G) The company is entitled to treat any person entered in the proxy register as an appointed proxy as the only person (other than the approved depositary) who has any interest in the depositary shares in respect of which the appointed proxy has been appointed

(H) If any question arises as to whether any particular person or persons has or have been validly appointed to vote (or exercise any other right) in respect of any shares (for example because the total number of shares in respect of which appointments are recorded in the proxy register is more than the number of depositary shares) this question will, if it arises at or in relation to a general meeting be determined by the chairman of the general meeting. His decision (which can include declining to recognise a particular appointment or appointments as valid) will also, if made in good faith, be final and binding on all persons interested

(I) If a question of the type described in article 82(H) arises in any circumstances other than at or in relation to a general meeting, the question will be determined by the directors. Their decision (which can include declining to recognise a particular appointment or appointments as valid) will also, if made in good faith, be final and binding on all persons interested

### **83. NUMBER OF DIRECTORS**

The company must have a minimum of six directors and a maximum of fifteen directors (disregarding alternate directors). The shareholders can change the minimum or maximum by passing an ordinary resolution

### **84. AGE OF DIRECTORS**

Provisions of the legislation which, read with the articles, would restrict the appointment of a director or require him to stop being a director because he has reached a particular age do not apply to the company. This includes restrictions and requirements involving special formalities once an age limit is reached

### **85. POWER OF COMPANY TO ELECT DIRECTORS**

Subject to these articles, the company can, by passing an ordinary resolution, elect any willing person to be a director, either as an extra director or to fill a vacancy where a director has stopped being a director for some reason

## **86. POWER OF DIRECTORS TO APPOINT DIRECTORS**

Subject to these articles, the directors can appoint any willing person to be a director, either as an extra director or as a replacement for another director. Any director appointed in this way must retire from office at the first annual general meeting held after his appointment. A director who retires in this way is then eligible for election.

## **87. IDENTITY OF DIRECTORS TO RETIRE BY ROTATION AT ANNUAL GENERAL MEETING**

At each annual general meeting, directors who were in office at the time of the two previous annual general meetings and who have not been elected or re-elected in that period, and who have not otherwise ceased to be a director and been re-elected by general meeting of the company, must retire by rotation.

## **88. FILLING VACANCIES**

Subject to these articles, at the general meeting at which a director retires, shareholders can pass an ordinary resolution to re-elect the director or to elect some other eligible person in his place.

## **89. POWER OF REMOVAL BY ORDINARY RESOLUTION**

The company can pass an ordinary resolution to remove a director from office even though his time in office has not ended if special notice of the resolution has been given where required by the legislation. The company can (subject to these articles) elect a person to replace a director who has been removed in this way by passing an ordinary resolution. If a director is removed in this way, it will not affect any claim which he may have for damages for breach of any contract of service which he may have.

## **90. PERSONS ELIGIBLE AS DIRECTORS**

- (A) The only people who can be elected as directors at a general meeting are the following
  - (i) directors retiring at the meeting,
  - (ii) anyone recommended by the directors, and
  - (iii) anyone who has been proposed by a shareholder who is entitled to attend and vote at the general meeting
- (B) A shareholder proposing a director in accordance with article 90(A)(iii) must deliver to the office at least 7 clear days before the general meeting, but not more than 42 clear days before the meeting, a signed letter stating that he intends to propose another person for election as director and written confirmation from the person to be proposed that he is willing to be elected

## **91. POSITION OF RETIRING DIRECTORS**

A director retiring at a general meeting retires at the end of that meeting or (if earlier) when a resolution is passed to elect another person in the director's place. Where a retiring director is elected or re-elected, he continues as a director without a break.

## **92. VACATION OF OFFICE BY DIRECTORS**

- (A) Any director automatically stops being a director if
  - (i) he gives the company a written notice of resignation,
  - (ii) he gives the company a written notice in which he offers to resign and the directors decide to accept this offer,
  - (iii) all of the other directors (who must comprise at least three people) pass a resolution or sign a written notice requiring the director to cease to hold office. The resolution or notice may consist of several documents in the same form signed by one or more directors,
  - (iv) he is or has been suffering from mental ill health and the directors pass a resolution removing the director from office,
  - (v) he has missed directors' meetings for a continuous period of six months without permission of the directors and the directors pass a resolution removing the director from office,
  - (vi) a bankruptcy order is made against him or he makes any arrangement or composition with his creditors,
  - (vii) he is prohibited from being a director under the legislation, or
  - (viii) he ceases to be a director under the legislation or he is removed from office under these articles
- (B) If a director stops being a director for any reason he will also automatically cease to be a member of any committee of the directors
- (C) If the chairman or deputy chairman stops being a director for any reason, he will also automatically cease to hold the position of chairman or deputy chairman
- (D) In this article references to written notice include the use of communications in electronic form subject to any terms and conditions decided on by the directors

## **93. ALTERNATE DIRECTORS**

- (A) Any director can appoint any person (including another director) to act in his place (called an "alternate director"). That appointment requires the approval of the directors, unless previously approved by the directors or unless the appointee is

another director. A director appoints an alternate director by delivering a signed written notice of appointment to the office or by tabling it at a meeting of the directors. The directors may approve any other method of appointment.

- (B) The appointment of an alternate director ends on the happening of any event which, if he were a director, would cause him to vacate that office. It also ends if his appointor stops being a director, unless that director retires at a general meeting at which he is re-elected. A director can also remove his alternate director by a written notice delivered to the office or tabled at a meeting of the directors. This notice must also be copied to the alternate director, but will be effective whether or not it has been received by the alternate director.
- (C) An alternate director is entitled to receive notices of meetings of the directors, except when absent from the United Kingdom. He is entitled to attend and vote as a director at any meeting at which the director appointing him is not personally present and generally at that meeting is entitled to perform all of the functions of his appointor as a director. The provisions of the articles regulating the meeting apply as if he (instead of his appointor) were a director. If he is himself a director or attends any meeting as an alternate director, for more than one director, he can vote cumulatively for himself and for each other director he represents but he cannot be counted more than once for the purposes of the quorum. An alternate director's signature to any resolution in writing of the directors is as effective as the signature of his appointor. If the directors decide to allow this, this article also applies in a similar fashion to any meeting of a committee of which his appointor is a member. Except as set out in this article, an alternate director
  - (i) does not have power to act as a director,
  - (ii) is not deemed to be a director for the purposes of these articles, and
  - (iii) is not deemed to be the agent of his appointor
- (D) An alternate director is entitled to contract and be interested in and benefit from contracts, transactions or arrangements and to be repaid expenses and to be indemnified to the same extent as if he were a director. However, he is not entitled to receive from the company as an alternate director any pay, except for that part (if any) of the pay otherwise payable to his appointor as his appointor may tell the company in writing to pay to his alternate director.
- (E) An alternate director must provide the particulars, and sign any form for public filing, which the legislation requires relating to his appointment.

#### **94. EXECUTIVE DIRECTORS**

- (A) The directors or any committee authorised by the directors can appoint a director to any executive position, on such terms and for such period (subject to the provisions of the Companies Act) as they think fit. They can also terminate or vary an appointment at any time. The directors or any committee authorised by the directors will decide

how much remuneration a director appointed to an executive office will receive (whether as salary, commission, profit share or any other form of remuneration) and whether this is in addition to or in place of his fees as a director

- (B) The appointment of any director to the position of chief executive, deputy chief executive, managing or joint managing director, or deputy or assistant managing director shall cease automatically if he is no longer a director. If any other executive director is no longer a director his executive appointment will not automatically cease unless that was a condition of the resolution appointing him or a condition of the contract under which he was employed
- (C) If the directors terminate the appointment or it automatically terminates as a result of article 94(B), the termination will not affect any right of the company or the director in relation to any breach of any employment contract which may be involved in the termination

## **95 DIRECTORS' FEES**

The total fees paid to all of the directors (excluding any payments made under any other provision of these articles) must not exceed

- (i) £75,000 a year, or
- (ii) any higher sum decided on by an ordinary resolution at a general meeting

It is for the directors to decide how much to pay each director by way of fees under this article

## **96 ADDITIONAL FEES**

The directors or any committee authorised by the directors can award extra fees to any director who holds an executive position (including the position of chairman or deputy chairman whether or not such position is held in an executive capacity) or who serves on any committee or who, in their view, performs any special or extra services for the company. Extra fees can take the form of salary, commission, profit-sharing or other benefits (and can be paid partly in one way and partly in another). This is all decided by the directors

## **97. EXPENSES**

The company can pay the reasonable travel, hotel and incidental expenses of each director incurred in attending and returning from general meetings, meetings of the directors or committees of the directors or any other meetings which as a director he is entitled to attend. The company will pay all other expenses properly and reasonably incurred by each director in connection with the company's business or in the performance of his duties as a director

## **98. DIRECTORS' PENSIONS AND OTHER BENEFITS**

- (A) The directors or any committee authorised by the directors can decide whether to provide, arrange or procure the grant of pensions or other retirement benefits, annual

payments, death, disability or sickness benefits, health accident and other insurances or such other benefits, allowances, gratuities or insurances, including in relation to termination of employment, to any people who are, or were, directors or employees of the company or of any subsidiary undertaking or acquired company or business. The directors or any committee authorised by the directors may extend these arrangements to any relation or dependant of such a person. This includes present or former spouse. The directors can also decide to contribute to a scheme or fund or to pay premiums to a third party for these purposes.

- (B) A director or former director will not be accountable to the company or the shareholders for any benefit provided pursuant to article 98(B) above. Anyone receiving such a benefit will not be disqualified from being or becoming a director of the company.
- (C) The directors or any committee authorised by the directors can decide to
  - (i) establish, maintain, adopt and enable participation in any profit sharing or incentive scheme including shares, share options or cash or any similar schemes for the benefit of any director or employee of the company or of any associated body corporate, and to lend money to any such director or employee or to trustees on their behalf to enable any such schemes to be established, maintained or adopted, and
  - (ii) support and subscribe to any institution or association which may be for the benefit of the company or of any associated body corporate or any directors or employees of the company or associated body corporate or their relatives or dependants or connected with any town or place where the company or an associated body corporate carries on business, and to support and subscribe to any charitable or public object whatsoever

## 99. CONFLICTS OF INTEREST

- (A) If a situation arises in which a director has, or can have, an interest that conflicts, or possibly may conflict, with the interests of the Company (a **Relevant Situation**) the directors may, for the purposes of section 175 of the Act, resolve to authorise
  - (i) if a Relevant Situation arises from the appointment or proposed appointment of a person as a director of the Company, the appointment of the director and the Relevant Situation, subject to any limits or conditions which the directors may determine,
  - (ii) if the Relevant Situation arises in circumstances other than as set out in article 99(A)(i), the Relevant Situation and the continuing performance by the director of his duties, subject to any limits or conditions which the directors may determine,

and any such authorisation will be subject only to any limits or conditions which the directors expressly impose

- (B) The interested director, and any other director with a similar interest, cannot vote, or be counted in the quorum, on a resolution to authorise his interest under article 99(A)
- (C) Any reference in article 99(A) to a conflict of interest includes a conflict of interest and duty and a conflict of duties
- (D) Any limits or conditions determined by the directors under article 99(A) may be imposed at the time of authorisation or may be imposed or varied subsequently and may include (without limitation)
  - (i) whether the interested director(s) may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the Relevant Situation,
  - (ii) the exclusion of the interested director(s) from all information and discussion by the company of the Relevant Situation, and
  - (iii) the imposition of a specific duty of confidentiality for any confidential information of the company relating to the Relevant Situation
- (E) An interested director must act in accordance with any limits or obligations imposed by the directors under article 99(A)
- (F) Subject to article 99(B), any authorisation under article 99(A) shall be dealt with in the same way as any other matter that may be decided by the directors under these articles
- (G) Any authorisation of a Relevant Situation given by the directors under article 99(A) may provide that, where the interested director obtains (other than through his position as a director) information that is confidential to a third party, he will not be obliged to disclose it to the company or to use it in relation to the company's affairs in circumstances where to do so would amount to a breach of that confidence
- (H) Whilst there is a Relevant Situation which has been authorised by the directors pursuant to Article 99(A), the general duties which the interested director owes to the company under sections 171 to 177 of the Act will not be infringed if he
  - (i) absents himself from meetings of the directors or from the discussion of any matter at a meeting relating to the Relevant Situation, and/or
  - (ii) makes arrangements for papers to be received and read by a professional adviser on his behalf which may relate to the Relevant Situation, and/or
  - (iii) behaves in any other way authorised by any guidance which may be issued by the directors from time to time
- (I) A director does not have to hand over to the company any benefit he receives or profit he makes as a result of anything authorised under Article 99(A) and this shall not be a breach of his duty under section 176 of the Act

## **100. GENERAL POWERS OF COMPANY VESTED IN DIRECTORS**

- (A) The directors will manage the company's business. They can use all the company's powers except where these articles or the legislation say that powers can only be used by the shareholders voting to do so at a general meeting. The general management powers under this article are not limited in any way by specific powers given to the directors by other articles
- (B) The directors are, however, subject to
  - (i) the provisions of the legislation,
  - (ii) the requirements of these articles, and
  - (iii) any regulations laid down by the shareholders by passing a special resolution at a general meeting
- (C) If a change is made to these articles or if the shareholders lay down any regulation relating to something which the directors have already done which was within their powers, that change or regulation cannot invalidate the directors' previous action

## **101. BORROWING POWERS**

- (A) Subject as hereinafter provided the directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled capital, and (subject to the Act) to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the company or of any of its subsidiary undertakings or of any third party
- (B) The directors shall restrict the borrowings of the company and exercise all voting and other rights or powers of control or rights of influence exercisable by the company in relation to its subsidiary undertakings (if any) so as to ensure (as regards subsidiary undertakings so far as by such exercise the company can ensure) that the aggregate of the moneys borrowed by the group and remaining outstanding at any time (excluding intra-group borrowings) shall not without the previous sanction of an ordinary resolution of the company exceed an amount equal to three times the aggregate of
  - (i) the nominal amount of the share capital of the company issued and paid up, and
  - (ii) the amounts shown as standing to the credit of capital and revenue reserves of the group, including any share premium account, capital redemption reserve, revaluation reserve and profit and loss account (but deducting therefrom the amount, if any, standing to the debit of the profit and loss account)

all as shown in a consolidation of the then latest audited balance sheets of the group but,

- (a) adjusted in respect of any variations in the issued and paid up share capital, share premium account or capital redemption reserve fund effected or any distributions made (otherwise than within the group) since the date of such balance sheets except insofar as provided for therein, and
- (b) excluding therefrom any amounts set aside for taxation and, to the extent included, any amounts attributable to outside shareholdings in subsidiary undertakings, and
- (c) excluding therefrom a sum equal to the book value of goodwill other than goodwill arising out of such consolidation, and
- (d) adjusted in such other manner as the auditors shall consider appropriate

(C) For the purpose of this article

- (i) share capital allotted shall be treated as issued and any share capital already called up or payable at any future date within the following twelve months shall be treated as already paid up and if the company proposes to issue any shares for cash and the issue of such shares has been underwritten then such shares shall be deemed to have been issued and the subscription moneys (including any premium) payable in respect thereof within the following twelve months shall be deemed to have been paid up,
- (ii) any company which it is proposed shall become a subsidiary undertaking contemporaneously with any relevant transaction shall be treated as if it had already become a subsidiary undertaking,
- (iii) the following shall (unless otherwise taken into account) be deemed to be included in moneys borrowed (1) debentures issued in whole or in part for a consideration other than cash, (2) amounts outstanding under acceptance credits (other than in respect of the purchase of goods in the ordinary course of trading), (3) the nominal amount of any share capital issued and the principal amount of any moneys borrowed the redemption or repayment whereof is guaranteed by the company or by any subsidiary undertaking except insofar as such share capital is for the time being held by or such moneys are for the time being owing to, and the beneficial interest therein is vested within, the group,
- (iv) any fixed premium payable on final redemption or repayment of any debentures or other borrowed moneys or share capital shall be taken into account as an addition to the principal or nominal amount thereof,

(v) moneys borrowed shall be deemed not to include (1) borrowings for the purposes of repaying the whole or any part of moneys borrowed by a member of the Group for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period or (2) borrowings of any member of the group engaged in the business of the broking of or dealing in relevant securities (where for the purposes of this sub-article "relevant securities" means "securities" as defined in the Uncertificated Securities Regulations,

(a) arising by reason of a delay in payment of one or more debts due to such member caused by a delay or error in transmission of documents or of payment of such debt or debts to such member (or to its bankers or other agents) and being borrowings which the directors reasonably believe will be repaid out of the moneys received in exchange for such documents or out of the payment of the debt or debts in question within a period not exceeding seven days, or

(b) arising or existing during any day in the ordinary course of operation of any system, of which the member is a participant, for the clearing and settlement of transactions in relevant securities or otherwise for the transfer of relevant securities, to the extent that such borrowings are repaid by the end of such day,

(vi) when the aggregate principal amount of moneys borrowed required to be taken into account for the purposes of this article on any particular date is being ascertained, (1) any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the spot rate of exchange of any bank approved by the auditors prevailing on such date in London at 11 00 a m on the date on which the calculation is made and (2) where under the terms of any borrowing the amount of money that would be required to discharge the principal amount of such borrowing in full if it fell to be repaid (at the option of the company or by reason of default) on such date is less than the amount that would otherwise be taken into account in respect of such borrowing for the purpose of this article, the amount of such borrowing to be taken into account for the purpose of this article shall be such lesser amount

(D) No person dealing with the company or any of its subsidiary undertakings shall by reason of the foregoing provision be concerned to see or inquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or the security given express notice that the said limit had been or would thereby be exceeded

(E) A certificate or report by the auditors as to the amount of the moneys borrowed or to the effect that the limit imposed by this article has not been or will not be exceeded at

any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this article

## 102. AGENTS

- (A) The directors can appoint any one or more persons as the company's attorney or attorneys by granting a power of attorney or by authorising them in some other way. Attorneys can either be appointed directly by the directors or the directors can give someone else the power to select attorneys. The directors or the persons who are authorised by them to select attorneys can decide on the purposes, powers, authorities and discretions of attorneys. But they cannot give an attorney any power, authority or discretion which the directors do not have under these articles
- (B) The directors can decide how long a power of attorney will last for and attach any conditions to it. The power of attorney can include any provisions which the directors decide on for the protection and convenience of anybody dealing with the attorney. The power of attorney can allow the attorney to grant any or all of his power, authority or discretion to any other person
- (C) The directors can
  - (i) delegate any of their authority, power or discretions to any local board or local committee (which may be inside or outside the United Kingdom) or to any manager or agent of the company,
  - (ii) decide on the pay and benefits of those appointed under this article 102,
  - (iii) allow local boards, committees, managers or agents to delegate to another person,
  - (iv) allow the members of local boards or committees to fill any vacancies on them and to continue to act even if there are vacancies on them,
  - (v) remove any people they have appointed in any of these ways, and
  - (vi) cancel or change anything that they have delegated, although this will not affect anybody who acts in good faith who has not had any notice of any cancellation or change

Any appointment or delegation by the directors which is referred to in this article can be on any conditions decided on by the directors

- (D) The ability of the directors to delegate under this article applies to all their powers and is not limited because certain articles refer to powers being exercised by the directors or by a committee authorised by the directors while other articles do not

### **103. DELEGATION TO INDIVIDUAL DIRECTORS**

- (A) The directors can give a director any of the powers which they have jointly as directors (with power to sub-delegate) These powers can be given on terms and conditions decided on by the directors either in parallel with, or in place of, the powers of the directors acting jointly
- (B) The directors can change the basis on which such powers are given or withdraw such powers If a person deals with an individual director in good faith without knowledge of the change or withdrawal, he will not be affected by it
- (C) The ability of the directors to delegate under this article applies to all their powers and is not limited because certain articles refer to powers being exercised by the directors or by a committee authorised by the directors while other articles do not

### **104. JOB TITLE**

The directors may appoint any person to any office or employment with a title including the word "Director" and may terminate any such appointment or the use of any such title The inclusion of these words in a person's job title does not mean that he is a director, or that he has any authority to act as a director or to be deemed to be a director for the purposes of these articles He shall not be entitled to attend or be present at any meeting of the directors unless this is required by the directors

### **105. PROVISIONS FOR EMPLOYEES**

The directors can exercise the powers under the legislation to make provision for the benefit of employees or former employees of the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer of the whole or part of the business of the company or that subsidiary

### **106. DIRECTORS' MEETINGS**

The directors can decide when and where to have meetings and how they will be conducted They can also adjourn their meetings A directors' meeting can be called by any director or by the secretary The secretary must also call a directors' meeting if asked to do so by a director

### **107. NOTICE OF DIRECTORS' MEETINGS**

Directors' meetings are called by giving notice to all the directors in a form or to an address specified by them for the purpose from time to time Notice can be given personally, by word of mouth or in writing Any director can waive notice of any directors' meeting, including one which has already taken place, and shall be treated as having waived notice if he has not supplied the necessary information to the company to ensure receipt

## **108. QUORUM**

If no other quorum is fixed, two directors are a quorum. If a director ceases to be a director at a board meeting, he can continue to be present and to act as a director and be counted in the quorum until the end of the meeting if no other director objects and if otherwise a quorum of directors would not be present.

## **109. DIRECTORS BELOW MINIMUM THROUGH VACANCIES**

The directors can continue to act even if one or more of them stops being a director. But if the number of directors falls below the minimum which applies under these articles (including any change to that minimum number approved by an ordinary resolution of shareholders), the remaining director(s) can only act either

- (i) to appoint further director(s) to make up the shortfall, or
- (ii) to convene a general meeting for the purpose of appointing extra director(s),

but not for any other purpose. If no director or directors are willing or able to act under this article, any two shareholders can call a general meeting to appoint extra director(s).

## **110. APPOINTMENT OF CHAIRMAN**

The directors can appoint any director as chairman or as one or more deputy chairman for such periods as the directors decide. If the chairman is at a directors' meeting, he will chair it. In his absence, the chair will be taken by a deputy chairman, if one is present. If more than one deputy chairman is present, the deputy chairman longest in office will take the chair, unless the directors decide otherwise. If there is no chairman or deputy chairman present within five minutes of the time when the directors' meeting is due to start, the directors who are present can choose which one of them will be the chairman of the meeting.

## **111 COMPETENCE OF MEETINGS**

A directors' meeting at which a quorum is present can exercise all the powers and discretions of the directors.

## **112. VOTING**

Matters to be decided at a directors' meeting will be decided by a majority vote. If votes are equal, the chairman of the meeting has a second, casting vote.

## **113. DELEGATION TO COMMITTEES**

- (A) The directors can delegate any of their powers or discretions to committees of one or more persons including one or more non-directors. This includes powers or discretions relating to directors' pay or giving benefits to directors. If the directors have delegated any power or discretion to a committee, any references in these articles to using that power or discretion include its use by the committee. Any

committee may consist of any persons selected by the directors and must comply with any regulations laid down by the directors

- (B) Unless the directors decide not to allow this, any committee can sub-delegate any of its powers or discretions to sub-committees Reference in these articles to committees include sub-committees permitted under this article
- (C) If a committee consists of more than one person, the articles which regulate directors' meetings and their procedure will also apply to committee meetings (if they can apply to committee meetings), unless these are inconsistent with any regulations for the committee which have been laid down under this article
- (D) The ability of the directors to delegate under this article applies to all their powers and discretions and is not limited because certain articles refer to powers and discretions being exercised by committees authorised by directors while other articles do not

#### **114. PARTICIPATION IN MEETINGS BY TELEPHONE**

All or any of the directors or members of a committee can take part in a meeting of the directors or a committee by way of a conference telephone or any communication equipment which allows everybody to take part in the meeting by being able to hear each of the other people at the meeting and by being able to speak to all of them at the same time A person taking part in this way will be treated as being present at the meeting and will be entitled to vote and be counted in the quorum Such meetings will be treated as taking place where most of the participants are or where the chairman of the meeting is if no more than one participant is in each place

#### **115. RESOLUTION IN WRITING**

Consent to a resolution in writing must be given by all of the directors who at the time are entitled to receive notice of a directors' meeting and who would be entitled to vote on the resolution at a directors' meeting, and who together meet the quorum requirement for directors' meetings This kind of resolution is just as valid and effective as a resolution passed by those directors at a meeting which is properly called and held The resolution can be passed using several copies of a document if each document is signed by one or more directors

#### **116. VALIDITY OF ACTS OF DIRECTORS OR COMMITTEE**

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

## **117. APPOINTMENT AND REMOVAL OF THE SECRETARY**

- (A) Subject to the legislation, the directors can appoint the secretary for such term and upon such conditions as they see fit
- (B) The directors can appoint one or more people to be deputy or assistant secretary Where there is no company secretary or if for any reason he is not capable of doing what is required of him, anything which the legislation requires or allows to be done by or to the company secretary may be done by or to any deputy or assistant secretary
- (C) And any person so appointed under this article (including any deputy or assistant secretary) can be removed by the directors, but this does not affect any claim for damages against the company for breach of any contract between him and the company

## **118. USE OF SEALS**

- (A) The directors can use all powers given by the legislation relating to seals This includes the power to have a seal for securities
- (B) The directors must arrange for every seal of the company to be kept safe
- (C) A seal can only be used with the authority of the directors or a committee authorised by the directors
- (D) Subject as otherwise provided in these articles, every document which is sealed using the common 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 (i) any director, (ii) the secretary, or (iii) any other person authorised by the directors for the purpose of signing documents to which the seal is applied
- (E) Any document to which the securities seal is applied need not be signed unless the directors decide otherwise or the legislation requires otherwise
- (F) The directors can resolve that the requirement for any counter-signature in this article can be dispensed with on any occasion

## **119. MINUTES**

The directors must keep minutes of all shareholders' meetings, directors' meetings and meetings of committees of the directors The minutes must include the names of the directors present If the minutes appear to be signed by the chairman of the particular meeting or by the chairman of the following meeting, they are sufficient evidence of the facts they contain

## **120. DECLARATION OF DIVIDENDS BY THE COMPANY**

The company's shareholders can declare dividends by passing an ordinary resolution. No such dividend can exceed the amount recommended by the directors.

## **121. PAYMENT OF INTERIM AND FIXED DIVIDENDS BY DIRECTORS**

Subject to the legislation, if the directors consider that the financial position of the company justifies such payments, they can:

- (i) pay the fixed or other dividends on any class of shares on the dates prescribed for the payment of those dividends, and
- (ii) pay interim dividends on shares of any class of any amounts and on any dates and for any periods which they decide.

If the directors act in good faith, they will not be liable for any loss that any shareholders may suffer because a lawful dividend has been paid on other shares which rank equally with or behind their shares.

## **122. CALCULATION AND CURRENCY OF DIVIDENDS**

- (A) All dividends will be divided and paid in proportions based on the amounts which have been paid up on the shares during any period for which the dividend is paid. Sums which have been paid up in advance of calls will not count as paid up for this purpose. If the terms of any share say that it will be entitled to a dividend as if it were a fully paid up, or partly paid up share from a particular date (in the past or future), it will be entitled to a dividend on this basis. This article applies unless these articles, the rights attached to any shares, or the terms of any shares, say otherwise.
- (B) Unless the rights attached to any shares, the terms of any shares or these articles say otherwise, a dividend or any other money payable in respect of a share can be declared or paid in any currency decided by the directors using an exchange rate selected by the directors for any currency conversions required. The directors can also decide how any costs relating to the choice of currency will be met.

## **123. AMOUNTS DUE ON SHARES CAN BE DEDUCTED FROM DIVIDENDS**

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

## **124. NO INTEREST ON DIVIDENDS**

Unless the rights attached to any shares, or the terms of any shares say otherwise, no dividend or other sum payable by the company on or in respect of its shares carries a right to interest from the company.

## **125. PAYMENT PROCEDURE**

- (A) Any dividend or other money payable in cash relating to a share can be paid by sending a cheque, warrant or similar financial instrument payable to the shareholder who is entitled to it at his registered address. Alternatively, it can be sent to someone else named in a written instruction from the shareholder (or all joint shareholders) and to the address specified in that instruction. A dividend can also be paid by inter-bank transfer or by other electronic means (including payment through a relevant system) directly to an account with a bank or other financial institution (or other organisations operating deposit accounts if allowed by the company) in the United Kingdom named in a written instruction from the person entitled to receive the payment under this article. Alternatively, a dividend can be paid in some other way agreed between the shareholder (or all joint shareholders) and the company.
- (B) For joint shareholders or persons jointly entitled to shares by law, payment can be made to the shareholder whose name stands first in the register. The company can rely on a receipt for a dividend or other money paid on shares from any one of the joint shareholders or persons jointly entitled to shares by law on behalf of all of such joint shareholders or persons jointly entitled to shares by law.
- (C) Cheques, warrants and similar financial instruments are sent, and payment in any other way is made, at the risk of the person who is entitled to the money. The company is treated as having paid a dividend if the cheque, warrant or similar financial instrument is cleared or if a payment is made using a relevant system, bank transfer or other electronic means. The company will not be responsible for a payment which is lost or delayed.
- (D) Dividends can be paid to a person who has become entitled to a share by law as if he were the holder of the share.

## **126. UNCASHED DIVIDENDS**

- (A) The company can stop sending dividend payments through the post, or cease using any other method of payment (including payment through a relevant system), for any dividend if, for two consecutive dividends
  - (a) the dividend payments sent through the post have been returned undelivered or remain uncashed during the period for which they are valid, or
  - (b) the payments by any other method have failed
- (B) The company must recommence sending dividend payments if requested in writing by the shareholder, or the person entitled by law to the relevant shares.

## **127. FORFEITURE OF UNCLAIMED DIVIDENDS**

The directors can invest any dividends or other amounts payable on a share which have not been claimed until the dividends or other amounts are claimed or the directors can use them.

in any other way for the company's benefit until they are claimed. The company will not be a trustee of the money and will not be liable to pay interest on it. If a dividend or other money has not been claimed for 12 years after being declared or becoming due for payment, it will automatically be forfeited and go back to the company.

## **128. DIVIDENDS NOT IN CASH**

If recommended by the directors, the company can pass an ordinary resolution that a dividend or bonus be paid wholly or partly by distributing specific assets (and, in particular, paid up shares, debentures or debenture stock of the company or any other company). Where any difficulty arises on such a distribution, the directors can resolve it as they decide. For example, they can

- (i) authorise any person to sell and transfer any fractions,
- (ii) ignore any fractions,
- (iii) value assets for distribution purposes,
- (iv) pay cash of a similar value to adjust the rights of shareholders, and/or
- (v) vest any assets in trustees for the benefit of more than one shareholder

## **129. SCRIP DIVIDENDS**

- (A) The directors can offer ordinary shareholders the right to choose to receive ordinary shares, which are credited as fully paid up, instead of some or all of their cash dividend. Shareholders must authorise the directors to make an offer under this article 129(A) (either before or after the offer is made)
  - (i) The ordinary resolution can apply to some or all of a particular dividend or dividends which may be declared or paid in the period up to and including the annual general meeting which is held in the fifth year after the ordinary resolution is passed
  - (ii) The directors can also offer shareholders the right to request new shares instead of cash for all future dividends (if a share alternative is available), until they tell the company that they no longer wish to receive new shares
  - (iii) A shareholder will be entitled to ordinary shares whose total "relevant value" is as near as possible to the cash dividend he would have received (disregarding any tax credit), but not more than it. The relevant value of a share is the average value of the company's ordinary shares for the five dealing days starting from, and including, the day when the shares are first quoted "ex dividend". This average value is worked out from the market value (as defined by the Listing Rules) of the company's ordinary shares for the relevant dealing days

- (iv) The ordinary resolution can require that the relevant value is worked out in some different way. A certificate or report by the auditors stating the relevant value of a share for any dividend will be conclusive evidence
- (v) After the directors have decided to make an offer in respect of a particular dividend, they can notify them in writing of their right to opt for new shares. This notice should also say how, where and when shareholders must notify the company if they wish to receive new shares. Where shareholders have opted to receive new shares in place of all future dividends, if new shares are available, the company will not need to notify them of a right to opt for new shares. No shareholders will receive a fraction of a share. The directors can decide how to deal with any fractions left over. For example, they can decide that the benefit of these fractions belongs to the company or that fractions are ignored or dealt with in some other way
- (vi) If a notice informing any shareholders of their right to opt for new shares is accidentally not sent or is not received, the offer will not be invalid as a result nor give rise to any claim, suit or action
- (vii) The directors can exclude or restrict the right to opt for new shares or make any other arrangements where they decide that this is necessary or convenient to deal with any of the following legal or practical problems
  - (a) problems relating to laws of any territory, or
  - (b) problems relating to the requirements of any recognised regulatory body or stock exchange in any territory,or where the directors believe that for any other reason the right should not be given
- (viii) If a shareholder has opted to receive new shares, no cash dividend on the shares for which he has opted to receive new shares will be declared or payable ("elected shares"). Instead, new ordinary shares will be allotted on the basis set out earlier in this article. To do this, the directors will convert into capital the sum equal to the total amount of the new ordinary shares to be allotted. They will use this sum to pay up in full the appropriate number of new ordinary shares. These will then be allotted and distributed to the holders of the elected shares on the basis set out above. The sum to be converted into capital can be taken from
  - (a) any amount which is then in any reserve or fund (including the share premium account, any capital redemption reserve and the profit and loss account), or
  - (b) any other sum which is available to be distributed

- (ix) The new ordinary shares will rank equally in all respects with the existing fully paid up ordinary shares at the time when the new ordinary shares are allotted. However, they will not be entitled to share in the dividend from which they arose, or to have new shares instead of that dividend
- (x) The directors can decide that new shares will not be available in place of any cash dividend. They can decide this at any time before new shares are allotted in place of such dividend, whether before or after shareholders have opted to receive new shares

(B) The directors can implement and maintain one or more share dividend or distribution reinvestment plans including or instead of offering new shares under article 129(A). The terms and conditions of any plan can be decided by the directors, who can change them if they choose. They can decide to make a plan available to some shareholders only, or to part of the dividends only. It is for the directors to decide to suspend or terminate a plan at any time. The terms of a plan can give shareholders the right to

- (i) choose to receive new or existing fully paid shares,
- (ii) subscribe for cash for new or existing issued shares in the company, payable in full or by instalments,
- (iii) apply cash in paying up in full or by instalments any unpaid or partly paid shares held on the terms of the plan,
- (iv) forgo a dividend and receive instead fully paid bonus shares, or
- (v) accept any other option or participate in any other arrangements thought by the directors to be appropriate

(C) Article 129(B) is, as regards an offer of new shares instead of a cash dividend, subject to the provisions of article 129(A) and of any ordinary resolution passed under article 129(A)

### **130. POWER TO CAPITALISE RESERVES AND FUNDS**

(A) If recommended by the directors, the company's shareholders can pass an ordinary resolution to capitalise any sum

- (i) which is part of any of the company's reserves (including premiums received when any shares were issued, capital redemption reserves or other undistributable reserves), or
- (ii) which the company is holding as net profits

(B) Unless the ordinary resolution states otherwise, the directors will use the sum which is capitalised by setting it aside for any ordinary shareholders on the register at the close of business on the day the resolution is passed (or another date stated in the

resolution or fixed as stated in the resolution) and in the same proportions as such ordinary shareholders' entitlement to dividends (or in other proportions stated in the resolution or fixed as stated in the resolution) The sum set aside can be used

- (i) to pay up some or all of any amount on any issued shares which has not already been called, or paid in advance, or
- (ii) to pay up in full shares, debentures or other securities of the company which would then be allotted and distributed, credited as fully paid, to shareholders

However, a share premium account, a capital redemption reserve, or any reserve or fund representing unrealised profits, can only be used to pay up in full shares of the company

- (C) The directors can appoint any person to sign a contract with the company on behalf of those who are entitled to shares, debentures or other securities under the resolution Such a contract is binding on all concerned
- (D) Unless the ordinary resolution states otherwise, if the company holds any shares of the relevant class as treasury shares, at the record date specified in the resolution, the company shall be treated as if it were entitled to receive the same dividend on the treasury shares as would have been payable if those treasury shares had been held by someone other than the company

### **131. CAPITALISATION OF RESERVES -- EMPLOYEES' SHARE SCHEMES**

- (A) This article (which is without prejudice to the generality of the provisions of article 131) applies
  - (i) where a person is granted pursuant to an employees' share scheme a right to subscribe for shares in the company in cash at a subscription price less than their nominal value, and
  - (ii) where, pursuant to an employees' share scheme, the terms on which any person is entitled to subscribe in cash for shares in the company are adjusted as a result of a capitalisation issue, rights issue or other variation of capital so that the subscription price is less than their nominal value
- (B) In any such case the directors
  - (i) shall transfer to a reserve account a sum equal to the deficiency between the subscription price and the nominal value of the shares (the cash deficiency) from the profits or reserves of the company which are available for distribution and not required for the payment of any preferential dividend, and
  - (ii) (subject to article 131(D) below) shall not apply that reserve account for any purpose other than paying up the cash deficiency upon the allotment of those shares

- (C) Whenever the company is required to allot shares pursuant to such a right to subscribe, the board shall (subject to the legislation) appropriate to capital out of the reserve account an amount equal to the cash deficiency applicable to those shares, apply that amount in paying up the deficiency on the nominal value of those shares and allot those shares credited as fully paid to the person entitled to them
- (D) If any person ceases to be entitled to subscribe for shares as described above, the restrictions on the reserve account shall cease to apply in relation to such part of the account as is equal to the amount of the cash deficiency applicable to those shares
- (E) No right shall be granted under any employees' share scheme under article 131(A)(i) above and no adjustment shall be made as mentioned in article 131(A)(ii) above unless there are sufficient profits or reserves of the company available for distribution and not required for the payment of any preferential dividend to permit the transfer to a reserve account in accordance with this article of an amount sufficient to pay up the cash deficiency applicable to the shares concerned

### **132. SETTLEMENT OF DIFFICULTIES IN DISTRIBUTION**

If any difficulty arises in connection with any distribution of any capitalised reserve or fund, the directors can resolve it in any way which they decide. For example, they can deal with entitlements to fractions by deciding that the benefit of fractions belong to the company or that fractions are ignored or deal with fractions in some other way.

### **133 POWER TO CHOOSE ANY RECORD DATE**

The company or the directors may by resolution specify any date ("record date") as the date at the close of business (or such other time as the directors may determine) on which persons registered as the holders of shares on the register shall be entitled to receive any dividend, distribution, allotment or issue. This will be based on the number of shares registered on the record date. The record date can be before the relevant resolution was passed. The rights attaching to any shares, and the terms of any shares, override this article if they are inconsistent with it. This article does not affect the rights to the dividend, distribution, allotment or issue as between past and present shareholders.

### **134 INSPECTION OF RECORDS**

A shareholder is not entitled to inspect any of the company's accounting records or other books or papers unless

- (i) the legislation or a proper court order gives him that right,
- (ii) the directors authorise him to do so, or
- (iii) the shareholders authorise him to do so by ordinary resolution

## **135. SUMMARY FINANCIAL STATEMENTS**

The company can send summary financial statements to its shareholders instead of copies of its full reports and accounts and for the purposes of this article sending includes sending by electronic means and making available on a web site or sites in accordance with the legislation

## **136. AUDITORS**

- (A) Auditors will be appointed and their duties will be regulated by the provisions of the Act
- (B) Subject to the legislation, all acts done by any person acting as auditor shall, as regards all persons dealing in good faith with the company, be valid, even if he was not properly appointed or he was at the time of his appointment not qualified for appointment or subsequently became disqualified
- (C) Auditors are entitled to attend any general meeting. They will be entitled to be heard at any general meeting on any part of the business of the meeting which concerns them as auditors

## **137. SERVICE OF NOTICES**

- (A) The company can send, deliver or serve any notice or other document, including a share certificate, to or on a person
  - (i) personally,
  - (ii) by addressing it to him and posting it to, or leaving it at, the person's registered address,
  - (iii) through a relevant system, where the notice or document relates to uncertificated shares, or
  - (iv) as agreed in writing by the relevant person (or in the case of a person which is a company, deemed to have so agreed under the legislation)

If the directors in their absolute discretion consider it appropriate for any purpose or purposes under these articles, any such notice or document shall be deemed sent, delivered or served where it is sent using electronic means to an address for the time being notified to the company subject to such terms and conditions as the directors in their absolute discretion consider appropriate

- (B) The company may also send any notice or other document pursuant to these articles to a person by publishing that notice or other document on a website where
  - (i) the company and that person have agreed (or are deemed to have agreed under the legislation) to his having access to the notice or document on a web

site (instead of such notice or document being sent to him) and that person has not revoked that agreement,

- (ii) the notice or document (as the case may be) is a notice or document to which that agreement applies,
- (iii) a notice is sent to the person, in a manner for the time being agreed for that purpose between him and the company, of
  - (a) the publication of that notice or document on the web site,
  - (b) the address of the web site,
  - (c) the place on that web site where the notice or document may be accessed, and
  - (d) how to access the document or information, and
- (iv) the notice or document is published on that website throughout the publication period, provided that, if the notice or document is published on that website for a part, but not all of, the publication period, the notice or document shall be treated as being published throughout that period if the failure to publish that notice or document throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the company to prevent or avoid

In this article 137(B), **publication period** means

- (i) the period specified by any applicable provision of the legislation, or
- (ii) if no such period is specified, a period of not less than 28 days, beginning on the date the notice referred to in sub-paragraph (iv) above is sent or deemed to be sent

(C) Where there are joint shareholders, the notice or other document can be sent, delivered to or served on the shareholder whose name appears first in the register and will be treated as having been sent, delivered or served to or on all the joint holders

(D) Nothing in this article 137 shall affect any requirement of the legislation that any particular offer, notice or document must be served in any particular manner

## 138. RECORD DATE FOR SERVICE

Subject to the legislation, where the company serves or delivers notices or documents to shareholders, it can do so by reference to the shareholders' register as it stands at a time before the date the notice or document is served or delivered. Any change of details on the register after that time will not invalidate the service or delivery and the company is not

obliged to serve or deliver the same notice or document on or to any person entered on the shareholders' register after the date selected by the company

#### **139. SHAREHOLDERS RESIDENT ABROAD**

If a shareholder's address on the register is outside the United Kingdom, he can give the company a United Kingdom postal address to which notices or other documents can be delivered or served on him. If he does, he is entitled to have notices or other documents delivered or served on him at that address. Alternatively, a shareholder whose address on the register is outside the United Kingdom can give the company an address for the purposes of communications by electronic means in which case, at the absolute discretion of the directors, he is entitled to have notices or documents served on, or delivered to, him at that address. Otherwise, he is not entitled to receive any notices from the company.

#### **140. SERVICE OF NOTICES ON PERSONS ENTITLED BY TRANSMISSION**

This article applies where a shareholder has died, or become bankrupt or is in liquidation or where someone else has otherwise become entitled by law to that shareholder's shares, but is still registered as a shareholder. It applies whether he is registered as a sole or joint shareholder. A person who is entitled to that shareholder's shares by law and who proves this to the reasonable satisfaction of the directors, can give a United Kingdom postal address for service or delivery of notices and other documents or an address for the purposes of communication by electronic means. If this is done, notices and other documents must be sent to that address (but, in the case of communication by electronic means, only at the absolute discretion of the directors). Otherwise, if any notice or other document is served on or delivered to the shareholder named on the register, or sent to him in accordance with these articles, this will be valid despite his death, bankruptcy or liquidation or the fact that any other event giving rise to an entitlement to the shares by law has occurred. This applies even if the company knew about these things. If notices or other documents are served or delivered in accordance with this article, there is no need to deliver them to, or serve them in any other way, on any other people who can be involved.

#### **141 NOTICES TO PREDECESSORS**

Anyone who becomes entitled to a share is bound by any notice in respect of that share which was properly given to a person from whom he derives his title before his name is entered in the register. This does not apply to a direction notice under article 76.

#### **142 WHEN NOTICES DEEMED SERVED**

- (A) If a notice or document is sent by the company by post, it is treated as being served or delivered the day after it was posted if sent by first-class post (or, if sent by second-class post, on the second day after posting). In proving that a notice or document was served or delivered, it is sufficient to show that the envelope was properly addressed and put into the postal system with postage paid.
- (B) If a notice or document is left by the company at a shareholder's registered address or at an address notified to the company in accordance with these articles by a

person who is entitled by transmission to a share, it is treated as being served or delivered on the day it was left

- (C) If a notice is sent through a relevant system, it is treated as being served or delivered when the company, or any relevant system participant acting for the company, sends the issuer-instruction relating to the notice
- (D) Any notice, document or other information served, sent or supplied by the company using electronic means shall be deemed to have been received on the day on which it was sent notwithstanding that the company subsequently sends a hard copy of such notice, document or information by post. Any notice, document or other information made available on a website shall be deemed to have been received on the day on which the notice, document or other information was first made available on the website or, if later, when a notice of availability is received or deemed to have been received pursuant to this article. In proving that a notice, document or other information served, sent or supplied by electronic means was served, sent or supplied, it shall be sufficient to prove that it was properly addressed
- (E) If a notice or document is served or delivered by the company by any other means authorised in writing by a shareholder, it is treated as being served or delivered when the company has done what it was authorised to do by that shareholder for service or delivery
- (F) If on three consecutive occasions any notice, document or other information served on or sent or supplied to a shareholder has been returned undelivered, such shareholder shall not thereafter be entitled to receive notices, documents or other information from the company until he shall have communicated with the company and supplied to the company (or its agent) a new registered address, or a postal address within the United Kingdom for the service of notices and the despatch or supply of documents and other information, or shall have informed the company of an address for the service of notices and the despatch or supply of documents and other information in electronic form. For these purposes, any notice, document or other information sent by post shall be treated as returned undelivered if the notice, document or other information is served, sent or supplied back to the company (or its agents) and a notice, document or other information served, sent or supplied in electronic form shall be treated as returned undelivered if the company (or its agents) receives notification that the notice, document or other information was not delivered to the address to which it was sent

#### **143. NOTICE WHEN POST NOT AVAILABLE**

If a general meeting cannot be called by sending notices through the post because the postal service in the United Kingdom or some part of the United Kingdom is suspended or restricted, the company need only give notice of a general meeting to those shareholders with whom the company can communicate by electronic means and who have provided the company with an address for this purpose. In such circumstances the directors must advertise the meeting by publishing a notice which appears on its website and in at least one

United Kingdom national newspaper. Notice published in this way will be treated as being properly served on shareholders who are entitled to receive it on the day the advertisement appears. If it becomes practicable to send notices by post again at least six clear days before the meeting, the directors will send a confirmatory copy of the notice (or, as the case may be, the notification of the website notice) by post to those who were otherwise entitled to receive the notice through the post.

#### **144. PRESUMPTION WHERE DOCUMENTS DESTROYED**

- (A) The company can destroy or delete
  - (i) all transfer forms or Operator-instructions transferring shares, and documents sent to support a transfer, and any other documents which were the basis for making an entry on the register, after six years from the date of registration,
  - (ii) all dividend payment instructions and notifications of a change of address or name, after two years from the date these were recorded,
  - (iii) all cancelled share certificates, after one year from the date they were cancelled,
  - (iv) any instrument of proxy which has been used for the purpose of a poll at any time after a period of one year has elapsed from the date of use, and
  - (v) any instrument of proxy which has not been used for the purpose of a poll at any time after a period of one month has elapsed from the end of the meeting to which the instrument of proxy relates
- (B) If the company destroys or deletes a document under this article, it is conclusively treated as having been a valid and effective document in accordance with the company's records relating to the document. Any action of the company in dealing with the document in accordance with its terms before it was destroyed or deleted is conclusively treated as having been properly taken.
- (C) This article only applies to documents which are destroyed or deleted in good faith and where the company is not on notice of any claim to which the document may be relevant.
- (D) This article does not make the company liable if
  - (i) it destroys or deletes a document earlier than the time limit referred to in article 144(A),
  - (ii) it does not comply with the conditions in article 144(B), or
  - (iii) the company would not be liable if this article did not exist
- (E) This article applies whether a document is destroyed or deleted or disposed of in some other way.

## 145. WINDING UP - POWERS TO DISTRIBUTE IN SPECIE

If the company is in liquidation, the liquidator may, with the authority of a special resolution of the company and any other authority required by the legislation

- (i) divide among the shareholders in specie the whole or any part of the assets of the company and, for that purpose, value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders, or
- (ii) vest the whole or any part of the assets in trustees upon such trusts for the benefit of shareholders as the liquidator, with the like sanction, shall think fit but no shareholder shall be compelled to accept any assets upon which there is any liability

## 146. INDEMNITY OF DIRECTORS

(A) Subject to the provisions of, and as far as may be permitted by, the legislation the company

- (i) may indemnify any person who is or was a director of the company and the company may indemnify any person who is or was a director of any associated company, and in each case against all liability incurred by such person from time to time in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him in relation to the company of which he is or was a director,
- (ii) may purchase and maintain insurance against any liability for any director or former director of the company or associated company,
- (iii) may indemnify a person who is a director of a company which is a trustee of an occupational pension scheme for employees of the company or of an associated body corporate against liability incurred by such director from time to time in connection with the company's activities as a trustee of the scheme, and
- (iv) provide any person referred to in (i) or (iii) with funds (whether by loan or otherwise) to meet expenditure incurred or to be incurred by him in defending any criminal, regulatory or civil proceedings or in connection with an application for relief (or to enable any such director to avoid incurring such expenditure),

but this article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that this would cause this article or any part of it, to be void under the legislation

(B) For the purposes of this article "**associated company**" and "**associated body corporate**" have the same meanings as in section 256 of the Act

- (B) No director shall be accountable to the company or the shareholders for any benefit provided pursuant to these articles. The receipt of such a benefit shall not disqualify any person from being or becoming a director
- (C) No person appointed or employed by the company or any associated company as auditor can benefit from this article
- (D) The powers given by this article shall not limit any general powers of the company to grant indemnities, purchase and maintain insurance or provide funds (whether by way of loan or otherwise) to any person in connection with any legal or regulatory proceedings or applications for relief

#### **147. ESTABLISHING THAT DOCUMENTS ARE GENUINE**

- (A) Any director, or the secretary (including any assistant or deputy secretary), has power to authenticate any of the following things, and to certify copies or extracts from them as true copies or extracts
  - (i) any documents relating to the company's constitution, whether in physical form or electronic form,
  - (ii) any resolutions passed by the shareholders or by any class of shareholders, or by the directors or by a committee of the directors, whether in physical form or electronic form, and
  - (iii) any books, documents, records or accounts which relate to the company's business, whether in physical form or electronic form, (including without limitation the accounts)
- (B) The directors can also give this power to others. When any books, documents, records and accounts are not kept at the registered office, the officer of the company who holds them is treated as a person who has been authorised by the directors to authenticate any of them, and to provide certified copies or extracts from them
- (C) This article 147(C) applies to a document which appears to be a copy of a resolution or an extract from the minutes of any meeting, and which is certified as a copy or extract as described in article 147(A) or 147(B). This document is conclusive evidence for anyone who deals with the company on the strength of the document that
  - (i) the resolution has been properly passed, or
  - (ii) the minutes or extract are a true and accurate record of the proceedings of a valid meeting

## GLOSSARY

### About the Glossary

This Glossary is to help readers understand the company's articles. Words are explained as they are used in the articles – they might mean different things in other documents. This Glossary is not legally part of the articles, and it does not affect their meaning. The definitions are intended to be a general guide – they are not precise. Words and expressions which are printed in *italics* in a definition have their own general explanation of their meaning which is contained in this Glossary.

abrogate	If the <i>special rights</i> of a share are abrogated, they are cancelled or withdrawn
adjourn	Where a meeting breaks up, to be continued at a later time or day, at the same or a different place
allot	When new shares are allotted, they are set aside for the person they are intended for. This will normally be after the person has agreed to pay for a new share or has become entitled to a new share for any other reason. As soon as a share is allotted, that person has the right to have his name put on the register of shareholders. When he has been registered, the share has also been <i>issued</i>
asset	Anything which is of any value to its owner
attorney	An attorney is a person who has been appointed to act for another person. The person is appointed by a formal document, called a " <i>power of attorney</i> "
beneficial interest	The person to whom something really belongs has the beneficial interest in it. This person may not be the registered (or legal) owner of the thing. For example, if a parent holds shares for their child, the child is the beneficial owner, and the parent is the legal owner. See also " <i>trustees</i> "
brokerage	Commission which is paid to a broker by a company issuing shares where the broker's clients have applied for shares
call	A call to pay money which is due on shares which has not yet been paid. This happens if the company issues shares which are partly paid, where money remains to be paid to the company for the shares. The money which has not been paid can be "called" for. If all the money to be paid on a share has been paid, the share is called a " <i>fully paid share</i> "

capitalise	To convert some or all of the reserves of a company into capital (such as shares)
capital redemption reserve	A reserve which a company may have set up to maintain the level of its capital base when shares are redeemed or bought back
certificated form	A shareholder holds a share or other security in certificated form if it is not able to be held in uncertificated form or, if it is able to be held in <i>uncertificated form</i> but that shareholder has requested that a certificate be issued for that share or other security (See also <i>uncertificated form</i> )
company representative	If a corporation owns shares, it can appoint company representatives to attend a shareholder's meeting to speak and vote for it
consolidate	When shares are consolidated, they are combined with other shares – for example, four 25p shares might be consolidated into one new £1 share
debenture	A typical debenture is a long-term borrowing by a company. The loan usually has to be repaid at a fixed date in the future and carries a fixed rate of interest
declare	Generally, when a dividend is declared, it becomes due to be paid
electronic form	A document or information is sent or supplied in electronic form if it is sent or supplied by <i>electronic means</i> or some other system but while in electronic form. It includes fax communications, electronic mail and also sending a computer disc by post
electronic means	A document or information is sent or supplied by electronic means if it is sent and initially received by electronic equipment for the processing or storage of data and is entirely transmitted, conveyed and received by a telecommunications system or otherwise by wire, radio, optical or other electromagnetic means
entitled to a share by law	In some situations, a person will be entitled to have shares which are registered in somebody else's name registered in his own name or to require the shares to be transferred to another person. When a shareholder dies, or the sole survivor of joint shareholders dies, his personal representatives have this right. If a shareholder is made bankrupt, his trustee in bankruptcy has the right

equity securities	For section 561 of the Act this means all the shares of a company except <ul style="list-style-type: none"> <li>(a) shares which only have a limited right to share in the company's income or assets,</li> <li>(b) shares held as a result of share schemes for employees</li> <li>(c) some shares held by the founders of the company, and</li> <li>(d) bonus shares issued when the company <i>capitalises</i> reserves</li> </ul> Also included are securities which can be converted into such shares, or which allow their holder to <i>subscribe</i> for such shares
ex-dividend	Once a share has gone ex-dividend, a person who buys the share in the market will not be entitled to the dividend which has been <i>declared</i> shortly before it was bought. The seller remains entitled to this dividend even though it will be paid after he has sold his share
executed	A document is executed when it is signed or sealed or made valid in some other way
exercise	When a power is exercised, it is used
forfeit and forfeiture	When a share is forfeited it is taken away from the shareholder and goes back to the company. This process is called "forfeiture". This can happen if a call on a partly paid share is not paid on time
fully paid shares	When all of the money or other property which is due to the company for a share has been paid or received, a share is called a "fully paid share"
general meeting	A meeting of the shareholders
good title	If a person has a good title to a share, he owns it outright
indemnity and indemnify	If a person gives another person an indemnity, he promises to make good any losses or damage which the other might suffer. The person who gives the indemnity is said to "indemnify" the other person
in issue	See <i>issue</i>
instruments	Formal legal documents

issue	When a share has been issued, everything has been done by a company to make the shareholder the owner of the share. In particular, the shareholder's name has been put on the register. Existing shares which have been issued are called " <i>in issue</i> "
liabilities	Debts and other obligations
lien	A lien will arise over shares where there are outstanding monies owed to the company by the shareholder. Where the company has a lien over shares, it can take the dividends, and any other payments relating to the shares which it has a lien over, or it can sell the shares, to repay the debt and so on
members	Shareholders
nominal amount or nominal value	The amount of the share shown in a company's account. The nominal value of the company's ordinary shares is 25p. This amount is shown on the share certificate for a share. When a company issues new shares this can be for a price which is at a premium to the nominal value. When shares are bought and sold on the stock market this can be for more, or less, than the nominal value. The nominal value is sometimes also called the "par value".
office copy	An extract of an official document, supplied by the office which holds, or issued, the original
officer	The term officer includes (subject to the provisions of the articles) a director, secretary, any employee who reports directly to a director or any other person who the directors decide should be an officer
Operator	A person approved by the Treasury under the Uncertificated Securities Regulations as operator of a <i>relevant system</i>
operator-instruction	A properly authenticated instruction sent by or on behalf of an operator and sent or received by means of a <i>relevant system</i>
ordinary resolution	A decision reached by a simple majority of votes – that is by more than 50 per cent of the votes cast
partly paid shares	If any money remains to be paid on a share, it is said to be partly paid. The unpaid money can be " <i>called</i> " for
personal representatives	A person who is entitled to deal with the property (the "estate") of a person who has died. If the person who has died left a valid will, the will appoints "executors" who are personal representatives. If the person died without a will, the courts will

	appoint one or more "administrators" to be the personal representatives
poll	On a vote taken on a poll, the number of votes which a shareholder has will depend on the number of shares which he owns. An ordinary shareholder has one vote for each share he owns. A poll vote is different to a vote taken on a show of hands, where each person who attends a general meeting and is entitled to vote has just one vote, however many shares he owns
power of attorney	A formal document which legally appoints one or more persons to act on behalf of another person
pre-emption rights	The right of some shareholders which is given by the legislation to be offered a proportion of certain classes of newly issued shares and other securities before they are offered to anyone else. This offer must be made on terms which are at least as favourable as the terms offered to anyone else
premium	If a company issues a new share for more than its <i>nominal value</i> , the amount above the nominal value is the premium
proxy	A proxy is a person who is appointed by a shareholder to attend a meeting and vote for that shareholder. A proxy is appointed by using a <i>proxy form</i> , which may be electronic. A proxy does not have to be a shareholder. A proxy can exercise all the powers of the shareholder who appointed him in respect of the shares he represents
proxy form	A form (including an electronic form) which a shareholder uses to appoint a proxy to attend a meeting and vote for him. The proxy forms are sent out by the company and must be returned to the company before the meeting to which they relate
quorum	The minimum number of shareholders or directors who must be present before a shareholders' or, as appropriate, directors' meeting can start. When this number is reached, the meeting is said to be "quorate"
rank	When either capital or income is distributed to shareholders, it is paid out according to the rank (or ranking) of the shares. For example, a share which ranks ahead of (or above) another share in sharing in a company's income is entitled to have its dividends paid first, before any dividends are paid on shares which rank below (or after) it. If there is not enough income to pay dividends on all shares, the available income must be used first to pay

	dividends on shares which rank first, and then to shares which rank next. The same applies for repayments of capital. Capital must be paid first to shares which rank first in sharing in the company's capital, and then to shares which rank next. A company's preference shares (if it has any) generally rank ahead of its ordinary shares
recognised investment exchange	An investment exchange which has been officially recognised by the UK authorities. An investment exchange is a place where investments, such as shares, are traded. The London Stock Exchange is a recognised investment exchange
redeem, redemption and redeemable	When a share is redeemed, it goes back to the company in return for a sum of money which was fixed (or calculated from a formula fixed) before the share was issued. This process is called "redemption". A share which can be redeemed is called a "redeemable" share
relevant system	This is a term used in the legislation for a computer system which allows shares without share certificates to be transferred without using transfer forms. The CREST system for paperless share dealing is a "relevant system"
renounces and renunciation	Where a share has been allotted, but nobody has been entered on the share register for the share, it can be renounced to another person. This transfers the right to have the share registered to another person. This process is called "renunciation".
requisition	A formal process which shareholders can use to call a meeting of shareholders. Generally speaking the shareholders who want to call a meeting must hold at least 10 per cent of issued shares
reserve fund	A fund which has been set aside in the accounts of a company – profits which are not paid out to shareholders as dividends, or used up in some other way are held in reserve by the company
retire by rotation	At every annual general meeting a proportion of the directors retires in turn. This gives the shareholders the chance to confirm or renew their appointments by voting on whether to re-elect them
revoke	To withdraw or cancel
rights issue	A way by which companies raise extra share capital. Usually the existing shareholders will be offered the chance to buy a certain number of new shares depending on how many they already have. For example, shareholders may be offered the chance to

	buy one new share for every four they already have
share premium account	If a new share is issued by a company for more than its nominal value, the amount above the <i>nominal value</i> is the <i>premium</i> and the total of these premiums is held in a <i>reserve fund</i> (which cannot be used to pay dividends) called the share premium account
show of hands	A vote where each person who is entitled to vote has just one vote, however many shares he holds
special notice	If special notice of a resolution is required by the legislation, the resolution is not valid unless the company has been told about the intention to propose it at least 28 days before the meeting at which it is proposed
special resolution	A decision reached by a majority of at least 75 per cent of votes cast
special rights	These are the rights of a particular class of shares as distinct from rights which apply to all shares generally. Typical examples of special rights are where the shares rank, their rights to sharing in income and assets, and voting rights
stamped	The payment of stamp duty, where this is required
statutory declaration	A formal way of declaring something in writing. Particular words and formalities must be used – these are laid down by the Statutory Declarations Act of 1835
subdivide	When shares are subdivided they are split into shares which have a smaller nominal amount. For example, a £1 share might be subdivided into four 25p shares
subject to	Means that something else has priority, or prevails, or must be taken into account. When a statement is subject to something this means that the statement must be read in the light of that other thing, which will prevail if there is any conflict
subscribe for shares	To agree to take new shares in a company (usually for a cash payment)
subscribers	The people who first buy the shares
subsidiary	A company which is controlled by another company (for example, because the other company owns a majority of its shares) is called a subsidiary of that company

subsidiary undertaking	<p>This is a term used by the legislation. It has a wider meaning than subsidiary. Generally speaking, it is a company which is controlled by another company because the other company</p> <p>has a majority of the votes in the company, either alone or acting with others,</p> <p>is a shareholder who can appoint or remove a majority of the directors, or</p> <p>can exercise dominant influence over the company because of anything in the company's articles or because of a certain kind of contract</p>
trustees	People who hold property of any kind for the benefit of one or more other people under a kind of arrangement which the law treats as a "trust"
uncertificated form	A share or other security is held in uncertificated form if no certificate has been issued for it. A share or other security held in uncertificated form is eligible for settlement in CREST or any other relevant system
underwriting	A person who agrees to buy new shares if they are not bought by other people underwrites the share offer
warrant or dividend warrant	Similar to a cheque for a dividend
website publication	Making a notice or other document available to a person (instead of sending a copy of that notice or document to that person) by publishing the notice or other document on a website and sending a notice of availability to that person
wind up	The formal process to put an end to a company. When a company is wound up, its assets are distributed. The assets go first to creditors who have supplied property and services and then to shareholders. Shares which rank above other shares in sharing in the company's assets will receive any funds which are left over before any shares which rank after (or below) them