

Company No. 2342138

THE COMPANIES ACTS 1985 TO 2006
BABCOCK INTERNATIONAL GROUP PLC
(ADOPTED BY SPECIAL RESOLUTION PASSED ON 21 JULY 2014)

ARTICLES OF ASSOCIATION

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(Company No. 2342138)

The Companies Acts 1985 to 2006

**ARTICLES OF ASSOCIATION OF
BABCOCK INTERNATIONAL GROUP PLC
(the "Company")**

(Adopted by special resolution passed on 21 July 2014)

PRELIMINARY

1. EXCLUSION OF TABLE A

The regulations contained in Table A in the schedule to The Companies (Tables A to F) Regulations 1985 and in any Table A applicable to the Company under any former enactment relating to companies shall not apply to the Company except in so far as they are repeated or contained in these Articles.

2. DEFINITIONS AND INTERPRETATION

2.1 In these Articles, unless the context otherwise requires:

"**Act**" means the Companies Act 2006 including any statutory modification thereof for the time being in force;

"**address**" shall, in any case where electronic form is permitted by or pursuant to these Articles or the Act, include a number or address used for the purpose of sending or receiving documents or information by electronic means but, in any other case, shall not include any number or address used for such purpose;

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

"**Auditors**" means the auditors for the time being of the Company;

"**business day**" means a day other than a Saturday or Sunday on which the banks in England and Wales are generally open for business;

"**clear days' notice**" means that the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given or on which it is to take effect;

"**Directors**" means the directors for the time being of the Company, or, as the case may be, the board of directors for the time being of the Company or the persons present at a duly convened meeting of the board of directors or any duly authorised committee thereof at which a quorum is present;

"**dividend**" includes bonus;

"**electronic form**" and "**electronic means**" shall, where the context so admits, have the same meaning as in the Act;

"Group" means the Company and all Subsidiary Undertakings for the time being;

"London Stock Exchange" means London Stock Exchange plc;

"Member" means a member of the Company;

"month" means calendar month;

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

"Operator" shall have the same meaning as in the Regulations;

"paid up" includes credited as paid up;

"properly authenticated dematerialised instruction" shall have the same meaning as in the Regulations;

"Register" means the register of members of the Company (including those members whose details are also entered into the Separate Register as defined in Article 48.1;

"Regulations" means the Uncertificated Securities Regulations 2001 as amended from time to time, including any provisions of or under the Act which alter or replace such regulations;

"relevant system" shall have the same meaning as in the Regulations;

"Seal" means the common seal of the Company or any official or securities seal that the Company may have or be permitted to have under the Statutes;

"Secretary" includes a joint, deputy or assistant secretary, and any person appointed by the Directors to perform the duties of the secretary of the Company;

"Statutes" means the Companies Act 1985, the Companies Act 1989, the Act, the Regulations, and every other statute or subordinate legislation for the time being in force concerning companies and affecting the Company;

"Subsidiary Undertaking" means any subsidiary undertaking of the Company;

"treasury shares" means qualifying shares (as defined by section 724(2) of the Act) which are held by the Company under section 724 of the Act;

"United Kingdom" means Great Britain and Northern Ireland; and

"in writing" and **"written"** includes printing, lithography, typewriting, photography and other modes of representing or reproducing words in visible form, whether sent or supplied in electronic form or otherwise.

- 2.2 Words importing the singular number only shall include the plural, and vice versa.
- 2.3 Words importing the masculine gender only shall include the feminine gender.
- 2.4 Words importing individuals and words importing persons shall include bodies corporate and unincorporated associations.

- 2.5 Any reference herein to the provisions of any statute or of any subordinate legislation shall include any amendment or re-enactment (with or without amendment) thereof for the time being in force.
- 2.6 Subject as aforesaid, and unless the context otherwise requires, words and expressions defined in the Statutes, or the Regulations, shall bear the same meanings in these Articles.
- 2.7 A special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles.
- 2.8 References herein to a share being in uncertificated form are references to that share being an uncertificated unit of a security.
- 2.9 Headings to these Articles are for convenience only and shall not affect construction.

SHARES

3. RIGHTS ATTACHING TO SHARES

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such rights (including preferred, deferred or other special rights) or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Directors may determine).

4. REDEMPTION OF SHARES

Subject to the provisions of the Statutes and to the rights attached to existing shares, any shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder, and the Directors may determine the terms, conditions and manner of redemption of any such shares.

5. LIABILITY OF MEMBERS

The liability of the Members of the Company is limited to the amount, if any, unpaid on the shares held by them.

6. FINANCIAL ASSISTANCE

The Company shall not give any financial assistance for the acquisition of shares in the Company except and in so far as permitted by the Statutes.

7. ALLOTMENT AT A DISCOUNT

The shares of the Company shall not be allotted at a discount and save as permitted by the Statutes shall not be allotted except as paid up at least as to one-quarter of their nominal value and the whole of any premium thereon.

8. PAYMENT OF COMMISSION AND BROKERAGE

The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

9. UNISSUED SHARES

The Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

10. RECOGNITION OF TRUSTS

Except as required by law or pursuant to the provisions of these Articles, no person shall be recognised by the Company as holding any share upon any trust, and (except only as by these Articles or by law otherwise provided or under an order of a court of competent jurisdiction) the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

SHARE CERTIFICATES

11. UNCERTIFICATED SHARES

- 11.1 Unless otherwise determined by the Directors and permitted by the Regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument by virtue of the Regulations. Notwithstanding any provisions of these Articles, the Directors shall have power to implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of an uncertificated share (subject always to the Regulations and the facilities and requirements of the relevant system concerned). No provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with the holding of shares in uncertificated form.
- 11.2 Conversion of a certificated share into an uncertificated share, and vice versa, may be made in such manner as the Directors may, in their absolute discretion, think fit (subject always to the Regulations and the facilities and requirements of the relevant system concerned).
- 11.3 The Company shall enter on the Register how many shares are held by each Member in uncertificated form and in certificated form and shall maintain the Register in each case as required by the Regulations and the relevant system concerned. Unless the

Directors otherwise determine, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings.

11.4 A class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these Articles or the Regulations which applies only in respect of certificated or uncertificated shares.

11.5 The Company shall be entitled, in accordance with regulation 32(2)(c) of the Regulations, to require the conversion of an uncertificated share into certificated form to enable it to deal with that share in accordance with any provision in these Articles, including in particular, Articles 66 to 70, 71 and 88.

11.6 The provisions of Articles 12 to 15 inclusive shall not apply to uncertificated shares.

12. SHARE CERTIFICATES AND RIGHT TO SHARE CERTIFICATES

12.1 Every share certificate shall specify the number and class and the distinguishing number (if any) of the shares to which it relates and the amount paid up thereon. No certificate shall be issued relating to shares of more than one class.

12.2 Subject to Article 11, every person (other than a recognised clearing house (within the meaning of the Financial Services and Markets Act 2000) or a nominee of a recognised clearing house or of a recognised investment exchange (within the meaning of the Financial Services and Markets Act 2000) in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) upon becoming the holder of a certificated share and whose name is entered as a Member on the Register shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all the certificated shares registered in his name or, in the case of shares of more than one class being registered in his name, a separate certificate for each class of certificated share so registered, and where a Member (except such a clearing house or nominee) transfers part of the shares of any class registered in his name he shall be entitled without payment to one certificate for the balance of certificated shares of that class retained by him. If a Member shall require additional certificates he shall pay for each additional certificate such reasonable sum (if any) as the Directors may determine.

13. SHARE CERTIFICATE OF JOINT HOLDERS

In respect of certificated shares of one class held jointly by more than one person the Company shall not be bound to issue more than one certificate, and delivery of a certificate for such shares to one of the joint holders of such shares shall be sufficient delivery to all such holders.

14. REPLACEMENT OF SHARE CERTIFICATES

If any certificate be defaced then upon delivery thereof to the Directors they may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be worn out, lost or destroyed, then upon proof thereof to the satisfaction of the Directors and on such indemnity with or without security as the

Directors deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such worn out, lost or destroyed certificate.

15. PAYMENT FOR SHARE CERTIFICATES

Every certificate issued under the last preceding Article shall be issued without payment, but there shall be paid to the Company such exceptional out-of-pocket expenses of the Company in connection with the request (including, without limiting the generality of the foregoing, the investigation of such request and the preparation and execution of any such indemnity or security) as the Directors think fit.

VARIATION OF RIGHTS

16. VARIATION OF CLASS RIGHTS

If at any time the share capital is divided into different classes of shares, the rights attached to any class or any of such rights may, subject to the provisions of the Statutes, whether or not the Company is being wound up, be abrogated or varied with the consent in writing of the holders of at least three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares), or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

17. SEPARATE GENERAL MEETINGS

To every such separate general meeting the provisions of chapter 3 of part 13 of the Act (excluding sections 303 to 306) and the provisions of these Articles relating to general meetings shall, *mutatis mutandis*, so far as applicable apply, subject to the following provisions, namely:

- 17.1 the necessary quorum at any such meeting, other than an adjourned meeting, shall be two persons present holding at least one-third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares) and at an adjourned meeting one person present holding shares of the class in question; and
- 17.2 any holder of shares of the class in question present in person or by proxy may demand a poll.

For the purposes of Article 17.1 above, where a person is present by proxy or proxies, he is treated as holding only the shares in respect of which those proxies are authorised to exercise voting rights.

18. ISSUES OF FURTHER SHARES

The rights attached to any class of shares shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by the terms upon which such shares are for the time being held, be deemed not to be abrogated or varied by the creation or issue of further shares ranking *pari passu* therewith.

CALLS ON SHARES

19. CALLS

The Directors may, subject to the terms of allotment thereof, from time to time make such calls upon the Members as they think fit in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and each Member shall (subject to the Company serving on him at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed, in whole or in part, as the Directors may determine. A person upon whom a call is made shall remain liable for all calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

20. TIMING AND PAYMENT OF CALLS

A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments.

21. LIABILITY OF JOINT HOLDERS

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

22. INTEREST DUE ON NON-PAYMENT OF CALLS

If a sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person from whom it is due shall pay interest on the sum at such rate, not exceeding 15 per cent. per annum, as the Directors may determine from the day appointed for the payment thereof until the actual payment thereof, and all expenses that may have been incurred by the Company by reason of such non-payment; but the Directors may, if they shall think fit, waive the payment of such interest and expenses or any part thereof.

23. DEEMED CALLS

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

24. POWER TO DIFFERENTIATE BETWEEN HOLDERS

The Directors may, on the issue of shares, differentiate between the holders of such shares as regards the amounts of calls to be paid and the times of payment of such calls.

25. PAYMENT OF CALLS IN ADVANCE

The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the monies, whether on account of the nominal value of the shares or by way of premium, uncalled and unpaid upon any shares held by him; and upon all or any of the monies so paid in advance the Directors may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) 12 per cent. per annum, as may be agreed upon between the Directors and the Member paying such monies in advance.

FORFEITURE AND LIEN

26. NOTICE IF CALL OR INSTALMENT NOT PAID

If any Member fails to pay any call or instalment in full on or before the day appointed for payment thereof, the Directors may, at any time thereafter, serve a notice on him requiring him to pay so much of the call or instalment as is unpaid, together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment.

27. FORM OF NOTICE

The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which, and the place where, such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call or instalment is payable will be liable to be forfeited.

28. FORFEITURE FOR NON-COMPLIANCE

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time after the day specified in such notice, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall extend to all dividends declared and other monies payable in respect of the shares so forfeited and not actually paid before such forfeiture. Forfeiture shall be deemed to occur at the time of the passing of the said resolution of the Directors. The Directors may accept a surrender of any share liable to be forfeited hereunder upon such terms and conditions as they think fit.

29. NOTICE AFTER FORFEITURE

When any share has been forfeited notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share, or any person entitled to the share by transmission, and an entry of the forfeiture or surrender, with the date thereof, shall forthwith be made in the Register, but no forfeiture or surrender shall be invalidated by any failure to give such notice or make such entry as aforesaid.

30. **DISPOSAL OF FORFEITED SHARES**

A share so forfeited or surrendered shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder or to any other person in such manner, either subject to or discharged from all calls made or instalments due prior to the forfeiture or surrender, as the Directors think fit: **Provided that** the Company shall not exercise any voting rights in respect of such share and any such share not disposed of in accordance with the foregoing within a period of three years from the date of its forfeiture or surrender shall thereupon be cancelled in accordance with the provisions of the Statutes. For the purpose of giving effect to any such sale or other disposition the Directors may authorise some person to transfer the share so sold or otherwise disposed of to, or in accordance with the directions of, the buyer thereof or other person becoming entitled thereto.

31. **ANNULMENT OF FORFEITURE**

The Directors may, at any time before any share so forfeited or surrendered shall have been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender upon such terms as they think fit.

32. **CONTINUING LIABILITY**

Any person whose shares have been forfeited or surrendered shall cease to be a Member in respect of those shares and shall surrender to the Company for cancellation the certificate for the forfeited or surrendered shares, but shall, notwithstanding such forfeiture or surrender, remain liable to pay to the Company all monies which, at the date of the forfeiture or surrender, were payable by him to the Company in respect of the shares, together with interest thereon at such rate, not exceeding 15 per cent. per annum, as the Directors may determine from the time of forfeiture or surrender until the time of payment, but his liability shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares, together with interest as aforesaid. The Directors may, if they shall think fit, waive the payment of such interest or any part thereof. The Company may enforce payment of such monies without being under any obligation to make any allowance for the value of the shares forfeited or surrendered or for any consideration received on their disposal.

33. **LIEN ON PARTLY-PAID SHARES**

The Company shall have a first and paramount lien on every share (not being a fully-paid share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of such share; but the Directors may at any time waive any lien which has arisen and may declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all amounts payable in respect of it.

34. **ENFORCEMENT OF LIEN BY SALE**

The Company may sell, in such manner as the Directors think fit, any share on which the Company has a lien, but no sale shall be made unless a sum in respect of which

the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing (i) stating, and demanding payment of, the sum presently payable, and (ii) giving notice of intention to sell in default of such payment, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy or otherwise by operation of law.

35. APPLICATION OF SALE PROCEEDS

The net proceeds of such sale, after payment of the costs thereof, shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of sale. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to, or in accordance with the directions of, the buyer.

36. STATUTORY DECLARATION

A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration, shall be conclusive evidence of the facts stated therein against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with, in the case of certificated shares, the share certificate delivered to a buyer or allottee thereof, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

37. TRANSFERS OF UNCERTIFICATED SHARES

All transfers of uncertificated shares shall be made in accordance with and be subject to the provisions of the Regulations and the facilities and requirements of the relevant system and, subject thereto, in accordance with any arrangements made by the Directors pursuant to Article 11.1.

38. FORM OF TRANSFER

- 38.1 All transfers of certificated shares shall be effected by instrument in writing in any usual or common form or any other form which the Directors may approve.
- 38.2 The instrument of transfer of any certificated share in the Company shall be signed by or on behalf of the transferor (and, in the case of a share which is not fully paid, shall also be signed by or on behalf of the transferee). In relation to the transfer of any share (whether a certificated or an uncertificated share) the transferor shall be deemed

to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.

39. RIGHT TO DECLINE REGISTRATION

Subject to Article 88, the Directors may refuse to register any transfer of any share which is not a fully-paid share (whether certificated or uncertificated) **provided that**, where any such shares are admitted to the Official List of the Financial Services Authority or admitted to AIM such discretion may not be exercised in a way which the Financial Services Authority or the London Stock Exchange regards as preventing dealings in the shares of the relevant class or classes from taking place on an open and proper basis. The Directors may likewise refuse to register any transfer of a share (whether certificated or uncertificated), whether fully-paid or not, in favour of more than four persons jointly.

40. FURTHER RIGHTS TO DECLINE REGISTRATION

40.1 Without prejudice to Article 40.2, in relation to a certificated share, the Directors may decline to recognise any instrument of transfer unless:

- (a) the instrument of transfer is left at the Office, or at such other place as the Directors may from time to time determine, accompanied by the certificate(s) of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
- (b) the instrument of transfer is in respect of only one class of share.

40.2 The Directors shall not register any person as a holder of any share in the Company (other than an allottee under an issue of shares by way of capitalisation of profits or reserves made pursuant to these Articles or any person entitled to be registered as a holder of any share by reason of sub-division, consolidation or reclassification of any shares in the Company) unless:

- (a) in the case of shares held in certificated form, such person has furnished to the Directors a declaration (in such form as the Directors may from time to time prescribe) signed by him or on his behalf (or, in the case of a corporation, sealed by the corporation or signed on its behalf by an attorney or duly authorised officer of the corporation), together with such evidence as the Directors may require of the authority of any signatory on behalf of such person, stating:
 - (i) the name and nationality of any person who has an Interest in any such share and (if such declaration or the Directors so require) the nature and extent of the Interest of each such person; and
 - (ii) such other information as the Directors may from time to time determine; and

- (b) in the case of shares held in uncertificated form, the Directors receive information relating to nationality through a relevant system (as defined in the Regulations).

The Directors shall in any case where they may consider it appropriate require such person or the Operator to provide such evidence or give such information as to the matters referred to in the declaration as they think fit (acting reasonably). The Directors shall decline to register any person as a holder of a share held in certificated form if such further evidence or information is not provided or given. The Directors shall, so long as they act reasonably and in good faith, be under no liability to the Company or to any other person if they register any person as the holder of a share on the basis of a declaration, or other evidence or information provided pursuant to this Article 40.2 which declaration, evidence or information appears on its face to be correct. Nothing in this Article 40.2 shall in any way restrict the exercise by the Directors of their power pursuant to Articles 47.4 and 53.

For the purpose of this Article 40.2 the expression "Interest" shall have the meaning set out in Article 46.2.

41. NOTICE OF REFUSAL TO REGISTER

If the Directors refuse to register a transfer in the case of certificated shares, they shall, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal together with its reasons for the refusal and (except in the case of fraud) return to him the instrument of transfer. If the Operator (as defined in the Regulations) of the relevant system refuses to register the transfer of an uncertificated share or of any such uncertificated renounceable right of allotment of a share it shall, as soon as practicable and in any event within two months after the date on which the relevant system member instruction or issuer instruction (as the case may be) was received by the Operator, send notice of the refusal to the relevant system member or participating issuer (as the case may be).

42. CLOSING OF REGISTER

The registration of transfers of shares or of any class of shares may be suspended (to the extent the same is consistent with the Act and the Regulations) at such times and for such periods (not exceeding 30 days in any year) as the Directors may from time to time determine. Notice of closure of the Register shall be given in accordance with the requirements of the Act.

43. RETENTION OF INSTRUMENT OF TRANSFER

All instruments of transfer which are registered may be retained by the Company.

44. NO FEE FOR REGISTRATION

No fee shall be charged by the Company on the registration of any instrument of transfer, probate, letters of administration, certificate of death or marriage, power of attorney, renunciation of a renounceable letter of allotment, stop notice or other

document or instruction relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

45. **DESTRUCTION OF DOCUMENTS**

The Company shall be entitled to destroy:

- 45.1 any instrument of transfer (which phrase, together with references to documents, shall for the purposes of this Article 45 include electronically generated or stored communications in relation to the transfer of uncertificated shares and any electronic or tangible copies of the same) or other document which has been registered, or on the basis of which registration was made, at any time after the expiration of six years from the date of registration thereof;
- 45.2 any dividend mandate or any variation or cancellation thereof or any notification of change of address (which shall include, in relation to communications in electronic form, any number or address used for the purposes of such communications), at any time after the expiration of two years from the date of recording thereof; and
- 45.3 any share certificate which has been cancelled, at any time after the expiration of one year from the date of such cancellation,

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, **provided always that:**

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to any claim (regardless of the parties thereto);
- (b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled;
- (c) references in this Article to instruments of transfer shall include, in relation to uncertificated shares, instructions and/or notifications made in accordance with the relevant system concerned relating to the transfer of such shares;
- (d) references in this Article to the destruction of any document include references to its disposal in any manner; and
- (e) in relation to uncertificated shares, the provisions of this Article shall apply only to the extent the same are consistent with the Regulations.

LIMITATIONS ON SHARE OWNERSHIP

46. PURPOSE

- 46.1 The purpose of Articles 46 to 61 is to ensure that so long as and to the extent that the holding or enjoyment by the Company or any subsidiary undertaking of the Company of any Operating Right is conditional on the Company being to any degree owned and/or controlled by EEA Nationals, the Company is so owned and/or controlled.

46.2 Definitions

In these Articles 46 to 61:

"Affected Share" means any share in the capital of the Company which shall be treated as such pursuant to Article 49.2;

"Affected Share Disposal" means a disposal or disposals of Interests in an Affected Share such that the share ceases to be an Affected Share;

"Affected Share Notice" means a notice in writing served in accordance with the provisions of Article 50;

"Default Shares" has the meaning given to it in Article 47.3;

"Disclosure Notice" means the a notice in writing served in accordance with the provisions of Article 47.1;

"Direction Notice" means the a notice in writing served in accordance with the provisions of Article 47.3;

"EC Regulation" means Regulation (EC) No. 1008/2008 of the European Parliament and of the Council of 23 September 2008 (as amended or readopted) on common rules for the operation of air services in the Community;

"EEA National" means any national of a Member State;

"Intervening Act" means the refusal, withholding, suspension or revocation of any Operating Right applied for, granted to or enjoyed by the Company or any subsidiary undertaking of the Company, or the imposition of any conditions or limitations upon any such Operating Right which materially inhibit the exercise thereof, in either case by any state, regulatory authority or person in reliance upon any provision or by reason of any matter or circumstance relating to the nationality of persons owning or controlling (however described) the Company;

"Member State" means (i) any state that from time to time is a Member State for the purposes of the EC Regulation or to which the provisions of the EC Regulation apply by virtue of an agreement between the European Community and that state (being, at the date of adoption of these Articles, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Republic of Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland and the UK); and (ii) any state from time to time in

respect of which no degree of ownership or control of the Company by that state or nationals of that state will jeopardise any Operating Right of the Company or any subsidiary undertaking of the Company, as determined by the relevant regulators of air services to which the Company or any subsidiary undertaking of the Company is subject to;

"Operating Right" means all or any part of any authority, permission, licence or privilege which enables an air service to be operated, howsoever granted;

"Permitted Maximum" means, if at any time the Directors have specified a maximum under Article 49.2, that aggregate number of shares which they have so specified as the maximum aggregate permitted number of Relevant Shares;

"Relevant Person" means:

- (a) any individual who is not a EEA National;
- (b) any body corporate other than a body corporate which is incorporated under the laws of any part of, and which has its principal place of business and central management and control in, any Member State;
- (c) a government or governmental department, agency or body, otherwise than of a Member State or any part thereof; and
- (d) any municipal, local, statutory or other authority formed or established in any country other than a Member State;

"Relevant Share" means any share in the capital of the Company, other than a share particulars of which are removed by the Directors from the Separate Register pursuant to Article 48.4, in which a Relevant Person has an Interest or in which the Directors determine that a Relevant Person may have an Interest pursuant to Article 48.3; and

"Separate Register" means the register to be maintained in accordance with Article 48.1; and

A person shall be deemed to have an **"Interest"** in relation to shares in the capital of the Company if:

- (a) such person is the registered holder of the shares; or
- (b) not being the registered holder, such person is entitled to exercise any right corresponding to the shares or to control or direct the exercise of any such right, or otherwise has a beneficial interest in the relevant shares.

47. **DISCLOSURE OBLIGATIONS ON SHARE OWNERSHIP**

- 47.1 The Company may by notice in writing (a **"Disclosure Notice"**) require any shareholder or any other person with a confirmed or apparent Interest in the shares to disclose to the Company in writing such information as the Company shall require relating to the beneficial ownership of or any Interest in such shares as lies within the knowledge of such shareholder or other person (supported if the Company so requires by independent evidence) including (without prejudice to the generality of the

foregoing) any information which the Company shall deem necessary or desirable in order to determine whether any shares are Relevant Shares or are capable of being Affected Shares or whether it is necessary to take steps in order to protect an Operating Right of the Company or any of its subsidiary undertakings or otherwise in relation to the application or potential application of Articles 48 to 61.

- 47.2 The Company may give a Disclosure Notice pursuant to Article 47.1 above at any time and the Company may give one or more than one such notice to the same shareholder or other person in respect of the same shares or interest in shares.
- 47.3 If any shareholder, or any other person with a confirmed or apparent interest in shares of the Company held by such shareholder, has been duly served with a Disclosure Notice under this Article and is in default for more than 21 days from the date of service of the Disclosure Notice in supplying to the Company the information thereby required or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the Directors may agree at any time thereafter to issue a notice (a "**Direction Notice**") to such shareholder directing that in respect of the shares in relation to which the default has occurred (the "**Default Shares**") the relevant shareholder will not be entitled to attend or to speak (whether in person or by proxy) at any general meeting of the Company or any meeting of the holders of any class of shares or to vote or to exercise any other right (including but not limited to demanding a poll, proposing or amending a resolution, whether in person or by proxy) at any such meeting and the rights to attend, to speak, to vote and any other right which, but for the provisions of this Article 47.3, would have attached to the Default Shares shall vest in the chairman of such meeting.
- 47.4 Where the Default Shares represent at least 0.25 per cent. of the aggregate nominal value of the Company's issued share capital (excluding treasury shares) then the Direction Notice may additionally direct that subject to Article 47.5, no transfer of any Default Share held by such holder shall be registered unless:
- (a) the shareholder is not himself in default as regards supplying the information required; and
 - (b) the transfer is of part only of the shareholder's holding and when presented for registration is accompanied by a certificate by the shareholder in a form satisfactory to the Directors to the effect that, after due and careful enquiry, the shareholder is satisfied that none of the shares the subject of the transfer is a Default Share.
- 47.5 Any Direction Notice shall have effect in accordance with its terms for so long as the default in respect of which the Direction Notice was issued continues but shall cease to have effect thereafter upon the Company so determining (such determination to be made within a period of one week of the default being duly remedied with written notice thereof being given forthwith to the shareholder). Any Direction Notice shall cease to have effect in relation to any Default Shares which are transferred by such shareholder by means of transfer effected in accordance with the terms of these Articles, provided that the transfer results from a sale made through a stock exchange on which the Company's shares or interests in shares are traded or the Directors are satisfied that the transfer involves the sale of the whole of the beneficial ownership of

the shares and interest in shares to a party unconnected either with the shareholder or with other persons interested or appearing to be interested in such shares.

48. SEPARATE REGISTER

48.1 The Directors shall maintain, in addition to the Register, a register (the "**Separate Register**"), in which shall be entered particulars of any share which:

- (a) has been acknowledged by the holder (or by any one of joint holders) or the Operator, whether pursuant to information provided pursuant to Article 47 or a declaration made in accordance with Article 40.2 or Article 48.2 below or otherwise, to be a Relevant Share; or
- (b) has been declared to be a Relevant Share pursuant to Article 48.3 below; or
- (c) the Directors otherwise determine to be included in the Separate Register in accordance with the provisions of the Articles,

and in any case which has not ceased to be a Relevant Share.

The particulars entered on the Separate Register in respect of any share shall comprise, in addition to the identity of the holder or joint holders, such information as has been requested by and supplied to the Directors (regarding, where appropriate, the name and nationality of any person having an Interest in such share and the nature and extent of the Interest of each person) pursuant to information provided pursuant to Article 47 or a declaration made in accordance with Article 40.2 or Article 48.2 below or otherwise or, if no such information has been supplied, such information as the Directors consider appropriate.

48.2 Any holder of a share which has not been acknowledged to be a Relevant Share who becomes aware that such share is or has become a Relevant Share shall forthwith notify the Company accordingly. Any holder of a share which is acknowledged to be a Relevant Share, including for the avoidance of doubt any Affected Share, who becomes aware that such share is not or has ceased to be a Relevant Share shall forthwith notify the Company accordingly. Any holder of a share who becomes aware that such share should be treated as a Relevant Share shall forthwith notify the Company accordingly.

48.3 The Directors may, and if at any time it appears to the Directors that a Relevant Person may have an Interest in a share particulars of which have not been entered in the Separate Register shall, give notice in writing to the registered holder of a share or to any other person who appears to them to be Interested in such share or the Operator requiring him to show to their reasonable satisfaction that such share is not a Relevant Share. Any person on whom such notice has been served and any other person who is Interested in such share and the Operator may within 21 days thereafter (or such longer period as the Directors may consider reasonable) make representations to the Directors as to why such share should not be treated as a Relevant Share but if, after considering such representations and such other information as seems to them relevant, the Directors are not so satisfied, the Directors shall declare such share to be a Relevant Share, and it shall thereupon be treated as such.

48.4 The Directors shall remove from the Separate Register particulars of any Relevant Share if there has been furnished to them a declaration (in such form as the Directors may from time to time prescribe) by the holder of such Relevant Share or the Operator, together with such other evidence as the Directors may reasonably require, which satisfies the Directors either that such share is no longer a Relevant Share or that, by reason of the fact that an Interest in such share is held by a person who is not a Relevant Person or the nature of the Relevant Person, such share should not be treated as a Relevant Share.

49. DETERMINATION OF AN INTERVENING ACT

49.1 The provisions of Article 49.2 shall apply where the Directors determine that it is necessary to take steps in order to protect any Operating Right of the Company or any subsidiary undertaking of the Company by reason of the fact that:

- (a) an Intervening Act has taken place;
- (b) an Intervening Act is contemplated, threatened or intended;
- (c) the aggregate number of Relevant Shares particulars of which are entered in the Separate Register is such that an Intervening Act may occur or be contemplated, threatened or intended; or
- (d) the ownership or control of the Company is otherwise such that an Intervening Act may occur or be contemplated, threatened or intended.

49.2 Where a determination has been made under Article 49.1, the Directors, as the case may be, may take such of the following steps, either immediately upon such determination being made or at any time or times thereafter, as seems to them necessary or desirable to overcome, prevent or avoid an Intervening Act or the risk of an Intervening Act:

- (a) resolve to seek to identify those shares or Relevant Shares which give rise to the determination, or would in their sole opinion, if details thereof had been entered on the Separate Register at the relevant time, have given rise to a determination and to deal with such shares as Affected Shares; and/or
- (b) specify a Permitted Maximum of Relevant Shares or vary any Permitted Maximum previously specified and, at any time when the aggregate number of Relevant Shares of which particulars are entered in the Separate Register exceeds the Permitted Maximum applying for the time being, the Directors may deal with such of the Relevant Shares as they decide are in excess of the Permitted Maximum as Affected Shares.

49.3 Notwithstanding the provisions of Articles 49.1 and 49.2, the Directors may resolve that such number of Relevant Shares as the Directors consider to be the minimum number necessary in order to prevent or avoid such Intervening Act shall be treated as Affected Shares for the purposes of these Articles 0 to 61 if there is a change in any applicable law or the Company or any subsidiary undertaking of the Company receives any direction, notice or requirement from any state or regulatory authority or

person which necessitates such action in order to overcome, prevent or avoid an Intervening Act.

50. AFFECTED SHARE NOTICES

The Directors shall give an Affected Share Notice to the registered holder of any share which they determine to deal with as an Affected Share and/or to any other person who appears to them to be Interested in that share and to the Operator (in the case of a share held in uncertificated form) and shall state which of the provisions of Article 51 (all of which shall be set out in the Affected Share Notice) are to be applied forthwith in respect of such Affected Share. The Directors shall be entitled from time to time to serve further Affected Share Notices in respect of any Affected Share applying further provisions of Article 51. The registered holder of a share in respect of which an Affected Share Notice has been served or any other person on whom an Affected Share Notice in respect of that share has been served (including the Operator) may make representations to the Directors as to why such share should not be treated as an Affected Share and if, after considering such representations and such other information as seems to them relevant, the Directors (acting reasonably) consider that the share should not be treated as an Affected Share they shall forthwith withdraw the Affected Share Notice served in respect of such share and the provisions of Article 51 shall no longer apply to it. For the avoidance of doubt, any share which the Directors determine to deal with as an Affected Share shall continue to be an Affected Share unless and until the Directors withdraw the Affected Share Notice relating thereto.

51. RIGHTS OF HOLDER OF AFFECTED SHARES AND REQUIRED DISPOSAL

51.1 A registered holder of an Affected Share upon whom an Affected Share Notice has been served shall not (if such Affected Share Notice specifies that the provisions of this Article 51.1 are to apply thereto) be entitled, in respect of such share, to attend or to speak (whether in person or by proxy) at any general meeting of the Company or any meeting of the holders of any class of shares or to vote or to exercise any other right (including but not limited to demanding a poll, proposing or amending a resolution, whether in person or by proxy) at any such meeting and the rights to attend, to speak, to vote and any other right which, but for the provisions of this Article 51.1, would have attached to the Affected Share shall vest in the chairman of such meeting. The manner in which the chairman exercises or refrains from exercising any such rights shall be entirely at his discretion. The chairman of any such meeting as aforesaid shall be informed by the Directors of any share becoming or being deemed to be an Affected Share.

51.2

(a) The persons on whom an Affected Share Notice has been served shall (if such Affected Share Notice specifies that the provisions of this Article are to apply thereto), within 10 business days of receiving such Affected Share Notice (or such longer period as may in such Notice be prescribed by the Directors), make an Affected Share Disposal so that no Relevant Person has an Interest in that share and, upon such Affected Share Disposal being made to the reasonable satisfaction of the Directors, such Affected Share shall cease to be

a Relevant Share. The provisions of Article 51 shall apply to any transfer in connection with an Affected Share Disposal if as a consequence of the transfer such share would continue, or be capable of continuing, to be an Affected Share.

- (b) If after 10 business days from the date of service on the registered holder of an Affected Share of an Affected Share Notice specifying that the provisions of this Article are to apply (or such longer period as the Directors may have prescribed), the Directors are not reasonably satisfied that an Affected Share Disposal has been made of, or in relation to, the Affected Share the subject thereof, the Directors may arrange for the sale of the Affected Share on behalf of the registered holder so that it ceases to be or to be capable of being treated as an Affected Share at the best price reasonably obtainable at the relevant time. The manner, timing and terms of any such Affected Share Disposal made or sought to be made by the Directors (including but not limited to the price or prices at which the same is made) shall be such as the Directors determine, based upon advice from bankers, brokers or other appropriate persons consulted by them for the purpose, to be reasonably practicable having regard to all the circumstances (including but not limited to the number of shares to be disposed of), and the Directors shall not be liable to any person for any of the consequences of reliance on such advice.

52. DIRECTORS TO DETERMINE AFFECTED SHARES

In deciding which shares are to be dealt with as Affected Shares the Directors shall be entitled to determine which Relevant Shares in their sole opinion have directly or indirectly caused the determination under Article 49.1 but subject thereto shall, so far as practicable, have regard to the chronological order in which particulars of Relevant Shares have been, or are to be, entered in the Separate Register (and accordingly treat as Affected Shares those Relevant Shares which have been acquired, or details of which have been entered in the Separate Register, most recently) save in circumstances where such criterion would in the sole opinion of the Directors be inequitable, in which event the Directors shall apply such other criterion or criteria as they may, in their absolute discretion, consider appropriate.

53. RIGHT TO REFUSE REGISTRATION

The transfer of any share shall be subject to the approval of the Directors if in the reasonable opinion of the Directors such share would upon transfer become or would be capable of being treated as or would continue or be capable of continuing to be capable of being treated as an Affected Share and the Directors may refuse to register the transfer of such share; provided that in the case of a share held in uncertificated form the Directors may only exercise their discretion not to register a transfer if permitted to do so by the Regulations, but provided further that the Directors may make such arrangements as they think fit to convert the relevant share from uncertificated into certificated form if such conversion might enable the Directors to exercise their discretion under this Article.

54. DISPOSALS OF AFFECTED SHARES

- 54.1 For the purposes of a sale under Article 51.2(b) of a share held in certificated form the Directors may appoint any person to sign as transferor an instrument of transfer in favour of the transferee and may enter the name of the transferee in respect of the transferred share in the Register notwithstanding the absence of any share certificate and such instrument of transfer shall be as effective as if it had been signed by the registered holder and title of the transferee shall not be affected by any irregularity or invalidity of the proceedings relating thereto. The net proceeds of sale of an Affected Share shall be received by the Company (whose receipt shall be a good discharge for the purchase money) at the best price reasonably obtainable at the time and shall be held on trust for and paid (together with interest at such rate as the Directors deem appropriate) to the former registered holder (or in the case of joint holders the first named joint holder thereof in the Register) upon surrender by him or on his behalf of any certificate in respect of the Affected Shares sold and formerly held by him. When an Affected Share has been sold as aforesaid the Directors shall as soon as reasonably practicable notify the former registered holder of the share and inform him that the net proceeds of sale of the share will be paid to him upon surrender by him or on his behalf of any certificate in respect of the share.
- 54.2 For so long as an Affected Share is held in uncertificated form, in circumstances where the Directors may, pursuant to Article 51.2(b), arrange for the sale of the Affected Share, the Directors may make such arrangements on behalf of the registered holder of the Affected Share as they may think fit to transfer title to that Affected Share through a relevant system (as defined in the Regulation) or to convert that Affected Share from uncertificated into certificated form.

55. SHARES ASSUMED NOT TO BE RELEVANT SHARES

Subject to the provisions of this Article, the Directors shall (unless any Director has reason to believe otherwise) be entitled to assume without enquiry that all shares are neither Relevant Shares (other than those shares particulars of which are entered in the Separate Register) nor shares which would be or be capable of being treated as Affected Shares if a determination under of Article 49.1 were to be made.

56. NOTICES

- 56.1 The Directors shall not be obliged to serve any notice required under Articles 47 to 61 upon any person if they do not know either his identity or address. The absence of service in such circumstances as aforesaid and any accidental error in or failure to give any notice to any person upon whom notice is required to be served under Articles 47 to 61 shall not prevent the implementation of or invalidate any procedure under such Articles.
- 56.2 The provisions of Articles 159 to 164 shall apply mutatis mutandis to the service of notices upon any member pursuant to Articles 47 to 61. Any notice required by Articles 47 to 61 to be served upon a person who is or is not a member shall be deemed validly served if it is sent through the post in a pre-paid cover addressed to that person at the address (or if more than one, at one of the addresses), if any, at which the Directors believe him to be resident or carrying on a business. Service shall in such a case be deemed to be effected on the day after the day when it was put in the

post) and in proving such service it shall be sufficient to prove an envelope containing the notice or document was properly addressed and put into the post as a pre-paid letter.

57. DIRECTORS' DETERMINATION CONCLUSIVE

Any resolution or determination of ,or any decision or the exercise of any discretion or power by, the Directors or any one of them under Articles 47 to 61 shall save in the case of manifest error be final and conclusive and binding on all persons concerned and not open to challenge on any ground whatsoever. For the avoidance of doubt any powers, rights or duties conferred by Articles 47 to 61 on the Directors can be exercised by a duly authorised committee of the Directors.

58. ADVERTISEMENT OF PERMITTED MAXIMUM

At any time when the Directors have resolved to specify a Permitted Maximum or deal with any shares as Affected Shares, they shall publish within two business days of making any such resolution a notice of the determination under Article 49.1 and of any Permitted Maximum which has been specified, together with a statement of the provisions of this Article which can apply to Affected Shares and the name of the person or persons who will answer enquiries relating to Affected Shares on behalf of the Company. At other times, the Directors shall also from time to time so publish information as to the number of shares particulars of which have been entered in the Separate Register.

59. ENQUIRIES RELATING TO THE SEPARATE REGISTER

The Directors shall not be required to make the Separate Register available for inspection by any person but shall provide persons who make enquiries which the Directors determine in their sole discretion to be bona fide with information as to the aggregate number of shares of which particulars are from time to time entered in the Separate Register.

60. ENQUIRIES RELATING TO THE PERMITTED MAXIMUM

If, at any time when a determination under Article 49.1 has been made and not withdrawn, any person enquires of the Directors whether the aggregate number of Relevant Shares exceeds any Permitted Maximum applying for the time being, or whether any shares in the Company which such person proposes to purchase or in which such persons proposed to acquire an Interest would in the opinion of the Directors upon such purchase or acquisition become or be capable of becoming or being treated as Affected Shares, whether by reason of the Permitted Maximum being exceeded or otherwise, the Directors shall, as soon as reasonably practicable on sufficient information being given to them to enable them to answer the enquiry, notify the enquirer whether in their opinion the shares would become or be capable of becoming Affected Shares if such person were to purchase them or acquire an Interest in them. Notwithstanding the foregoing, any such notification shall not be binding on the Directors or the Company and shall not prevent such shares being subsequently identified as Affected Shares and neither the Directors nor the Company shall (in the absence of fraud) be liable in any way if such shares subsequently become Affected Shares.

61. WITHDRAWAL OF DETERMINATION UNDER ARTICLE 49.1

- 61.1 The provisions of Article 49.2 shall apply until such time as the Directors resolve that the grounds for the making of the relevant determination under Article 49.1 have ceased to exist and the Directors shall thereupon withdraw such determination.
- 61.2 On withdrawal of the determination under Article 49.1, the Directors shall cease to act pursuant to such determination and shall remove any Permitted Maximum that they may have specified and shall inform every person on whom an Affected Share Notice has been served in respect of an Affected Share (which has not yet been transferred or sold in accordance with Article 51) that the provisions of Article 51 no longer apply in respect of such share which on such withdrawal shall cease to be an Affected Share. However, the withdrawal of such a determination shall not affect the validity of any action taken by the Directors whilst that determination remained in effect and such actions shall not be open to challenge on any ground whatsoever. The Directors shall publicise the withdrawal of any determination the existence of which has been publicised under Article 58 in the same manner as they are required to publicise its existence under such Article.
- 61.3 Neither the Directors (nor any of them) shall, provided they act reasonably and in good faith, be liable in any way to any person for treating, or not treating, in accordance with the provisions of these Articles, any share as an Affected Share or any person as a Relevant Person.

TRANSMISSION OF SHARES

62. TRANSMISSION ON DEATH

In case of the death of a Member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased Member from any liability in respect of any share which had been solely or jointly held by him.

63. PERSON ENTITLED BY TRANSMISSION

Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the Member registered as the holder of any such share before his death or bankruptcy or other event, as the case may be.

64. RESTRICTIONS ON ELECTION

If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If

he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member or other event had not occurred and the notice or transfer were a transfer signed by the Member registered as the holder of any such share.

65. **RIGHTS OF PERSONS ENTITLED BY TRANSMISSION**

A person becoming entitled to a share by reason of the death or bankruptcy of the holder or otherwise by operation of law shall, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company (including meetings of the holders of any class of shares in the Company), **provided always that** the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and, if the notice is not complied with within 60 days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

UNTRACED SHAREHOLDERS

66. **POWER TO SELL SHARES**

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

- 66.1 for a period of 12 years no cheque, warrant or order sent by the Company in the manner authorised by these Articles in respect of the share in question has been cashed and no communication has been received by the Company from the Member or the person entitled by transmission; **provided that**, in such period of 12 years, at least three dividends whether interim or final on or in respect of the share in question have become payable and no such dividend during that period has been claimed; and
- 66.2 the Company has, on or after expiration of the said period of 12 years, by advertisement in both a national newspaper and a newspaper circulating in the area in which the last known address of the Member or the address at which service of notices may be effected in the manner authorised in accordance with the provisions of these Articles is located, given notice of its intention to sell such share (but so that such advertisements need not refer to the names of the holder(s) of the share or identify the share in question); and
- 66.3 the Company has not, during the further period of three months after the publication of such advertisements and prior to the exercise of the power of sale, received any communication from the Member or person entitled by transmission; and

- 66.4 if the shares are admitted to the Official List of the Financial Services Authority or admitted to AIM, the Company has given notice to a Regulatory Information Service (as defined in the Financial Services Authority Listing Rules) of its intention to sell such shares.

67. POWER TO SELL FURTHER SHARES

If, during any 12 year period or three month period referred to in Articles 66.1 and 66.3 of the preceding Article, further shares have been issued in respect of those held at the beginning of such 12 year period or of any subsequently issued during such periods and all the other requirements of such Article have been satisfied in respect of the further shares, the Company may also sell such further shares.

68. AUTHORITY TO EFFECT SALE

To give effect to any sale pursuant to the previous two Articles, the Directors may authorise any person to execute as transferor an instrument of transfer of the said share and such instrument of transfer shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, such share. The transferee shall not be bound to see to the application of the purchase monies and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Member or other person in the books of the Company as a creditor for such amount.

69. NO TRUST

No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company (if any)) as the Directors may from time to time think fit.

70. AUTHORITY TO CEASE SENDING CHEQUES

If either (i) on two consecutive occasions cheques, warrants or orders in payment of dividends or other monies payable in respect of any share have been sent through the post or otherwise in accordance with the provisions of these Articles but have been returned undelivered or left uncashed during the periods for which the same are valid or any transfer by bank or other funds transfer system has not been satisfied; or (ii) following one such occasion reasonable enquiries have failed to establish any new address of the registered holder; the Company need not thereafter despatch further cheques, warrants or orders and need not thereafter transfer any sum (as the case may be) in payment of dividends or other monies payable in respect of the share in question until the

Member or other person entitled thereto shall have communicated with the Company and supplied in writing to the Office an address for the purpose.

ALTERATION OF CAPITAL

71. FRACTIONS OF SHARES

Subject to any direction by the Company in general meeting, whenever as the result of any consolidation or division of shares Members of the Company are entitled to any issued shares of the Company in fractions, the Directors may deal with such fractions as they shall determine and in particular may sell the shares to which Members are so entitled in fractions to any person (including, subject to the provisions of the Statutes, the Company) and pay and distribute to and amongst the Members entitled to such shares in due proportions the net proceeds of the sales thereof save for individual entitlements (net of expenses) not exceeding £3 which may be retained for the benefit of the Company. For the purpose of giving effect to any such sale the Directors may, in respect of certificated shares, nominate some person to execute a transfer of the shares sold on behalf of the Members so entitled to, or, in respect of uncertificated shares, nominate any person to transfer such shares in accordance with the facilities and requirements of the relevant system concerned or make such other arrangements as are compatible with the relevant system concerned or, in either case, in accordance with the directions of the buyer thereof and may cause the name of the transferee(s) to be entered in the Register as the holder(s) of the shares comprised in any such transfer, and such transferee(s) shall not be bound to see to the application of the purchase money nor shall such transferee's(s') title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. For the purposes of this Article, any shares representing fractional entitlements to which any Member would, but for this Article, become entitled may be issued in certificated form or uncertificated form.

GENERAL MEETINGS

72. ANNUAL GENERAL MEETING

The Company shall in accordance with the Statutes, hold a general meeting as its annual general meeting in each period of 6 months beginning with the day following its accounting reference date. The annual general meeting shall be held at such time and place as the Directors shall appoint.

73. GENERAL MEETINGS

All general meetings other than annual general meetings shall be called general meetings.

74. CONVENING OF GENERAL MEETINGS

The Directors may, whenever they think fit, convene a general meeting, and general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by the Statutes. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum the Directors in the United Kingdom capable of acting may convene an general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

75. LENGTH AND FORM OF NOTICE

An annual general meeting shall be called by not less than 21 clear days' notice, and a meeting of the Company other than an annual general meeting shall be called by not less than 14 clear days' notice. The notice of meeting shall be given to the Members (other than any who, under the provisions of the Articles or the terms of allotment or issue of shares, are not entitled to receive notice), to the Directors and to the auditors. The Directors may determine that persons entitled to receive notices of meeting are those persons entered on the register at the close of business on a day determined by the Directors, **provided that**, if the Company is a participating issuer, the day determined by the Directors may not be more than 21 days before the day that the relevant notice of meeting is being sent. The notice of meeting shall also specify a time (which shall not be more than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the meeting) by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote.

76. OMISSION OR NON-RECEIPT OF NOTICE OF RESOLUTION OR MEETING OR PROXY

The accidental failure to give notice of a meeting, or of a resolution intended to be moved at a meeting, or to issue an invitation to appoint a proxy with a notice where required by these Articles, to any one or more persons entitled to receive notice, or the non-receipt of notice of a meeting or of such a resolution or of an invitation to appoint a proxy by any such persons, shall be disregarded for the purpose of determining whether notice of the meeting or of any resolution to be moved at the meeting is duly given.

77. POSTPONEMENT OF GENERAL MEETINGS

If the Directors, in their absolute discretion, consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, they may postpone the general meeting to another date, time and/or place. When a meeting is so postponed, notice of the date, time and place of the postponed meeting shall be placed in at least two national newspapers in the United Kingdom. Notice of the business to be transacted at such postponed meeting shall not be required.

PROCEEDINGS AT GENERAL MEETINGS

78. QUORUM AND PROCEDURE IF QUORUM NOT PRESENT

- 78.1 No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business; save as herein otherwise provided, two Members present in person or by proxy and entitled to vote shall be a quorum, **provided that** two corporate representatives or two proxies representing the same shareholder (even if in respect of different shares) shall not constitute a quorum. The

appointment of a chairman of the meeting in accordance with the provisions of these Articles shall not be treated as part of the business of the meeting.

- 78.2 If within five minutes (or such longer time as the chairman of the meeting may decide) from the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such day, time and place as the chairman of the meeting shall appoint, **provided that** the adjourned meeting shall not take place prior to ten clear days after the date of the original meeting. If at such adjourned meeting a quorum is not present within five minutes from the time appointed therefor, the Member or Members present in person or by proxy and entitled to vote shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.

79. **ARRANGEMENTS FOR SIMULTANEOUS ATTENDANCE, SECURITY AND ORDERLY CONDUCT**

- 79.1 In the case of any general meeting, the Directors may, notwithstanding the specification in the notice convening the general meeting of the place at which the chairman of the meeting shall preside (the "**Principal Place**"), make arrangements for simultaneous attendance and participation at other places by Members and proxies and others entitled to attend the general meeting but excluded from the Principal Place under the provisions of this Article 79.
- 79.2 Such arrangements for simultaneous attendance at the general meeting may include arrangements regarding the level of attendance at the other places **provided that** they shall operate so that any Members and proxies excluded from attendance at the Principal Place are able to attend at one of the other places. For the purpose of all other provisions of these Articles any such general meeting shall be treated as being held and taking place at the Principal Place.
- 79.3 The Directors may, for the purpose of facilitating the organisation and administration of any general meeting to which such arrangements apply, from time to time make arrangements, whether involving the issue of tickets (on a basis intended to afford to all Members and proxies and others entitled to attend the meeting an equal opportunity of being admitted to the Principal Place) or the imposition of some random means of selection or otherwise as they shall in their absolute discretion consider to be appropriate, and may from time to time vary any such arrangements or make new arrangements in their place. The entitlement of any Member or proxy or other person entitled to attend a general meeting at the Principal Place shall be subject to such arrangements as may for the time being be in force whether stated in the notice of the general meeting to apply to that Meeting or notified to the Members concerned subsequent to the provision of the notice of the general meeting.
- 79.4 The Directors or the chairman of the meeting or any person authorised by the Directors may direct that Members, proxies or corporate representatives wishing to attend any general meeting or anyone else permitted by the chairman of the meeting to attend should submit to such searches or other security arrangements or restrictions (including, without limitation, restrictions on items of personal property which may be taken into the meeting) as the Directors or the chairman of the meeting or such person authorised by the Directors shall consider appropriate in the circumstances.

Such persons shall be entitled in their absolute discretion to refuse entry to, or to eject from, such general meeting any such person who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

- 79.5 The Directors or the chairman of the meeting or any person authorised by the Directors may, at any meeting, take such action as is thought fit to secure the safety of the people attending the meeting and to promote the orderly conduct of the business of the meeting as laid down in the notice of the meeting and the chairman of the meeting's decision on matters of procedure or matters arising incidentally from the business of the meeting shall be final, as shall be his determination as to whether any matter is of such a nature.

80. CHAIRMAN OF GENERAL MEETINGS

- 80.1 The chairman, if any, of the board of Directors shall preside as chairman of every general meeting of the Company. If there is no such chairman, or if at any general meeting he shall not be present within five minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Directors present shall select one of their number to be chairman of the meeting; or if no Director is present and willing to take the chair the Members present and entitled to vote shall choose one of their number to be chairman of the meeting.

81. ADJOURNMENTS

- 81.1 The chairman of the meeting may, at any time without the consent of the meeting, adjourn any meeting (whether or not it has commenced or has already been adjourned or a quorum is present) either sine die or to another time or place where it appears to him that (i) the Members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting, (ii) the conduct of any persons prevents or is likely to prevent the orderly continuation of business or (iii) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.
- 81.2 The chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place; but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, not less than seven clear days' notice of the adjourned meeting shall be given specifying the day, the place and the time of the meeting as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment.

82. DIRECTORS' RIGHT TO ATTEND AND SPEAK

Each Director shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares in the Company. The chairman of the meeting may invite any person to attend and speak at any general meeting of the Company whom the chairman of the meeting considers to be equipped by knowledge or experience of the Company's business to assist in the deliberations of the meeting.

83. AMENDMENTS TO RESOLUTIONS

If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution no amendment thereto (other than an amendment to correct a patent error) may in any event be considered or voted upon.

84. METHOD OF VOTING AND DEMAND FOR A POLL

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

- (a) by the chairman of the meeting; or
- (b) by at least five Members present in person or by proxy and having the right to vote on the resolution; or
- (c) by any Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote on the resolution (excluding any voting rights attached to any shares in the Company held as treasury shares); or
- (d) by a Member or Members present in person or by proxy holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right (excluding any shares in the Company conferring a right to vote on the resolution which are held as treasury shares).

84.2 Unless a poll is so demanded (and the demand is not subsequently withdrawn), a declaration by the chairman of the meeting that a resolution has on a show of hands been passed or passed unanimously, or with a particular majority, or lost, or an entry to that effect in the minutes of the meeting of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

84.3 Except as provided in Article 85, if a poll is duly demanded it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting directs and he may appoint scrutineers and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

85. TIMING AND PROCEDURE FOR A POLL

A poll demanded on the election of a chairman of the meeting or on the question of an adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than 30 clear days after the date of the meeting or adjourned meeting at which the poll is demanded) and place as the chairman of the meeting may direct. No notice need be

given of a poll not taken immediately. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. The demand for a poll may be withdrawn with the consent of the chairman of the meeting at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.

VOTES OF MEMBERS

86. VOTES OF MEMBERS AND OF JOINT HOLDERS

86.1 Subject to special rights or restrictions as to voting attached to any class of shares by or in accordance with the Articles, on a vote on a resolution:

(a) on a show of hands at a meeting:

(i) every Member present (not being present by proxy) and entitled to vote on the resolution has one vote; and

(ii) every proxy present who has been duly appointed by a Member entitled to vote on the resolution has one vote, except where:

(A) that proxy has been duly appointed by more than one Member entitled to vote on the resolution; and

(B) the proxy has been instructed:

(1) by one or more of those Members to vote for the resolution and by one or more of those Members to vote against the resolution; or

(2) by one or more of those Members to vote in the same way on the resolution (whether for or against) and one or more of those Members has permitted the proxy discretion as to how to vote,

in which case, the proxy has one vote for and one vote against the resolution; and

(b) on a poll taken at a meeting, every Member present and entitled to vote on the resolution has one vote in respect of each share held by the relevant Member.

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

87. VOTING ON BEHALF OF INCAPABLE MEMBER

A Member in respect of whom an order has been made by any court having jurisdiction (in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator

bonis or other person authorised on his behalf by that court, and such receiver, curator bonis or other person may, on a poll, vote by proxy, **provided that** evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote has been delivered at the Office (or at such other place as may be specified in accordance with these Articles for the delivery of appointments of proxy) not later than the last time at which an appointment of a proxy should have been delivered in order to be valid for use at that meeting or on the holding of that poll.

88. SUSPENSION OF RIGHTS FOR NON-PAYMENT OF CALLS AND NON-DISCLOSURE OF INTERESTS

- 88.1 No Member shall, unless the Directors otherwise determine, be entitled, in respect of any share in the capital of the Company held by him, to be present or to vote on any question, either in person or by proxy, at any general meeting, or separate general meeting of the holders of any class of shares of the Company, or to be reckoned in a quorum, if any call or other sum presently payable by him to the Company in respect of such share remains unpaid.
- 88.2 If any Member, or any other person appearing to the Directors to be interested in any shares in the capital of the Company held by such Member, has been duly served with a notice under section 793 of the Act and is in default for the period of 14 days from the date of service of the notice under the said section 793 in supplying to the Company the information thereby required, then the Company may (at the absolute discretion of the Directors) at any time thereafter by notice (a "**restriction notice**") to such Member direct that, in respect of the shares in relation to which the default occurred and any other shares held at the date of the restriction notice by the Member, or such of them as the Directors may determine from time to time (the "**restricted shares**" which expression shall include any further shares which are issued in respect of any restricted shares), the Member shall not, nor shall any transferee to which any of such shares are transferred other than pursuant to a permitted transfer or pursuant to Article 88.3(c) below, be entitled to be present or to vote on any question, either in person or by proxy, at any general meeting of the Company or separate general meeting of the holders of any class of shares of the Company, or to be reckoned in a quorum.
- 88.3 Where the restricted shares represent at least 0.25 per cent. (in nominal value) of the issued shares of the same class as the restricted shares (excluding any shares of that class held as treasury shares), then the restriction notice may also direct that:
- (a) any dividend or any part thereof or other monies which would otherwise be payable on or in respect of the restricted shares shall be withheld by the Company; shall not bear interest against the Company; and shall be payable (when the restriction notice ceases to have effect) to the person who would but for the restriction notice have been entitled to them; and/or
 - (b) where an offer of the right to elect to receive shares of the Company instead of cash in respect of any dividend or part thereof is or has been made by the Company, any election made thereunder by such Member in respect of such restricted shares shall not be effective; and/or

- (c) no transfer of any of the shares held by such Member shall be recognised or registered by the Directors unless the transfer is a permitted transfer; or:
 - (i) the Member is not himself in default as regards supplying the information required; and
 - (ii) the transfer is of part only of the Member's holding and, when presented for registration, is accompanied by a certificate by the Member in a form satisfactory to the Directors to the effect that after due and careful enquiry the Member is satisfied that none of the shares the subject of the transfer are restricted shares.

Upon the giving of a restriction notice its terms shall apply accordingly.

88.4 The Company shall send a copy of the restriction notice to each other person appearing to be interested in the shares the subject of such notice, but the failure or omission by the Company to do so shall not invalidate such notice.

88.5 Any restriction notice shall have effect in accordance with its terms until not more than seven days after the Directors are satisfied that the default in respect of which the restriction notice was issued no longer continues but shall cease to have effect in relation to any shares which are transferred by such Member by means of a permitted transfer or in accordance with Article 88.3(c) above on receipt by the Company of notice that a transfer as aforesaid has been made. The Company may (at the absolute discretion of the Directors) at any time give notice to the Member cancelling, or suspending for a stated period the operation of, a restriction notice in whole or in part.

88.6 For the purposes of this Article 88:

- (a) a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification whether following service of a notice under the said section 793 or otherwise which either:
 - (i) names such person as being so interested; or
 - (ii) (after taking into account the said notification and any other relevant information in the possession of the Company) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares; and
- (b) a transfer of shares is a permitted transfer if but only if:
 - (i) it is a transfer by way of, or in pursuance of, acceptance of a takeover offer for the Company (as defined in section 974 of the Act); or
 - (ii) 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 third party unconnected with the transferring Member or with any other person appearing to the Directors to be interested in such shares (and for the purposes of this Article 88.6(b)(ii) any associate (as that term is defined in section 435 of the Insolvency Act 1986) of the

Member or of any other person appearing to the Directors to be interested in any of the restricted shares shall be deemed to be connected with the transferring Member); or

- (iii) the transfer results from a sale made on or through a market operated by the London Stock Exchange or on or through any stock exchange outside the United Kingdom on which the Company's shares of the same class as the restricted shares are normally dealt in.

88.7 The provisions of this Article 88 are in addition and without prejudice to the provisions of the Statutes.

89. **OBJECTIONS TO AND ERRORS IN VOTING**

No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, a vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered (or at which the error occurs), and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

90. **VOTING ON A POLL**

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

91. **EXECUTION OF PROXIES**

91.1 For the purposes of Article 93.1, the Directors may require such reasonable evidence it considers necessary to determine:

- (a) the identity of the Member and the proxy; and
- (b) where the proxy is appointed by a person acting on behalf of the Member, the authority of that person to make the appointment.

91.2 A Member may appoint another person as his proxy to exercise all or any of his rights to attend and to speak and to vote (both on a show of hands and on a poll) on a resolution or amendment of a resolution, or on other business arising, at a meeting or meetings of the Company. Unless the contrary is stated in it, the appointment of a proxy shall be deemed to confer authority to exercise all such rights, as the proxy thinks fit.

91.3 A Member may appoint more than one proxy in relation to a meeting, **provided that** each proxy is appointed to exercise the rights attached to different shares held by the Member. When two or more valid but differing appointments of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.

- 91.4 Subject to the Act and the requirements of the listing rules and disclosure and transparency rules of the UK Listing Authority, the Company may send a form of appointment of proxy to all or none of the persons entitled to receive notice of and to vote at a meeting. If sent, the form shall provide for three way voting on all resolutions (other than procedural resolutions) set out in the notice of meeting.

92. **APPOINTMENT OF PROXIES**

A proxy need not be a Member of the Company. The appointment of a proxy shall not preclude a Member from attending and voting in person at the meeting or any adjournment thereof.

93. **DELIVERY OF PROXIES**

- 93.1 The appointment of a proxy shall:

- (a) (in the case of an appointment not sent in electronic form) be deposited at the Office or at such other place or one of such places (if any) within the United Kingdom as is or are specified for that purpose in or by way of note to the notice convening the meeting or any document accompanying such notice; or
- (b) (in the case of an appointment sent in electronic form) where an address has been specified for the purpose by the Company (generally or specifically), be received at such address,

not less than 48 hours (excluding any part of a day that is not a working day) before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote or, in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, not less than 24 hours (excluding any part of a day that is not a working day) before the time appointed for the taking of the poll at which it is to be used, and in default the appointment of a proxy shall not be treated as valid. Failing previous registration with the Company, the power of attorney or other authority, if any, under which the appointment of a proxy is executed, or a notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of that power or authority, or a copy in some other way approved by the Directors, shall (whether (a) or (b) above shall apply) also be deposited or received at the Office or at such other place specified in accordance with (a) above, or (if the Directors so agree) at the address or by the means provided in accordance with (b) above, not later than the time by which the appointment of a proxy is required to be deposited or (as the case may be) received in accordance with this Article.

Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the Directors may from time to time permit appointments of a proxy to be made by an Uncertificated Proxy Instruction, (that is, a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of the relevant system concerned and received by such participant in that system acting on behalf of the Company as the Directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system concerned)); and may in a similar manner permit supplements

to, or amendments or revocations of, any such Uncertificated Proxy Instruction to be made by like means. Notwithstanding any other provision of these Articles, the Directors may in addition prescribe the method of determining the time at which any such properly authenticated dematerialised instruction (and/or other instruction or notification) is to be treated as received by the Company or such participant. The Directors may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

- 93.2 An appointment of a proxy and any other document referred to in the last sentence of the first paragraph of Article 93.1 shall be deemed to have been validly deposited or received in accordance with Article 93.1 if the appointment is received at the Office or at such other place specified in accordance with Article 93.1(a) by facsimile transmission within the period of time specified by Article 93.1 **provided that** the original appointment in the same form as the appointment received by facsimile transmission and any other such document is deposited at the place at which the facsimile transmission was received not less than 24 hours before the time appointed for the meeting or adjourned meeting or the holding of a poll subsequently at which the vote is to be used.
- 93.3 If two or more valid but differing appointments of a proxy are delivered or (in the case of appointments in electronic form) received in accordance with Article 93.1 in respect of the same share for use at the same meeting, the one which is last delivered or, as the case may be, received as aforesaid (regardless of its date, its date of sending or the date of its execution) shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was delivered or received last, none of them shall be treated as valid in respect of that share.

94. **VALIDITY OF PROXIES**

An appointment of a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting to which it relates. No appointment of a proxy shall be valid after the expiration of 12 months from the date of its deposit or receipt in accordance with Article 93.1 except at an adjourned meeting or on a poll demanded at a meeting or adjourned meeting in cases where the meeting was originally held within 12 months from that date.

95. **AUTHORITY OF PROXIES TO CALL FOR A POLL**

The appointment of a proxy to vote on a matter at a meeting of the Company shall be deemed to confer authority on the proxy to demand or join in demanding a poll on that matter.

96. **VALIDITY OF PROXY'S AUTHORITY**

- 96.1 A vote given or poll demanded in accordance with the terms of an appointment of a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or determination of the authority of the person voting or demanding a poll, **provided that** no intimation in writing of such death, insanity, revocation or determination shall have been received by the Company at the Office or such other

place (if any) as is specified for depositing the appointment of proxy or, where the appointment of the proxy was in electronic form, at the address at which such appointment was duly received, in each case in accordance with Article 93.1, before the time for holding the meeting or adjourned meeting or the time appointed for taking a poll subsequently thereto at which such vote is given.

- 96.2 The Company is not obliged to verify that a proxy or representative of a corporation has acted in accordance with the terms of his appointment and any failure to so act in accordance with the terms of his appointment shall not affect the validity of any proceedings at a meeting of the Company.

97. **CORPORATE REPRESENTATIVES**

Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise a person or persons to act as its representative or representatives at any meeting of the Company or of any class of Members of the Company in accordance with the Act.

98. **POWERS OF CORPORATE REPRESENTATIVES**

Subject to the Act, any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

DIRECTORS

99. **NUMBER OF DIRECTORS**

Unless and until the Company in general meeting shall otherwise determine, the number of Directors shall be not more than fifteen nor less than two. The Company may by ordinary resolution from time to time vary the minimum number and/or maximum number of Directors.

100. **DIRECTORS' SHAREHOLDING QUALIFICATION**

A Director shall not be required to hold any shares in the capital of the Company. A Director who is not a Member shall nevertheless be entitled to receive notice of and attend and speak at all general meetings of the Company and all separate general meetings of the holders of any class of shares in the capital of the Company.

101. **AGE OF DIRECTORS**

There shall not be an age limit for Directors.

102. **OTHER INTERESTS OF DIRECTORS**

Subject to the provisions of the Statutes, a Director of the Company may be or continue as or become a director or other officer, employee or member of, or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate in which the Company may be (directly or indirectly) interested as

shareholder or otherwise or any parent undertaking or subsidiary undertaking of any parent undertaking of the Company, and no such Director shall, by reason of his office, be accountable to the Company for any remuneration or other benefits which derive from any such office or employment or from any contract, transaction or arrangement with, or from his membership or interest in, such other body corporate or undertaking. No such office, employment, contract, transaction or arrangement or interest shall be liable to be avoided on the ground of any such interest or benefit.

103. DIRECTORS' FEES

The Directors shall be paid out of the funds of the Company by way of fees for their services as Directors such sums (if any) as the Directors may from time to time determine (not exceeding in the aggregate an annual sum (excluding amounts payable under any other provision of these Articles) of £850,000 or such larger amount as the Company may by ordinary resolution determine) and such remuneration shall be divided between the Directors as they shall agree or, failing agreement, equally. Such remuneration shall be deemed to accrue from day to day.

104. DIRECTORS EXPENSES

The Directors may also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or of the holders of any class of shares or debentures of the Company or otherwise in connection with the business of the Company.

105. ADDITIONAL REMUNERATION

Any Director who is appointed to any executive office or who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Directors may determine.

ALTERNATE DIRECTORS

106. ALTERNATE DIRECTORS

- 106.1 Each Director shall have the power at any time to appoint as an alternate Director either (i) another Director or (ii) any other person approved for that purpose by a resolution of the Directors, and, at any time, to terminate such appointment. Every appointment and removal of an alternate Director shall be in writing signed by the appointor and (subject to any approval required) shall (unless the Directors agree otherwise) only take effect upon receipt of such written appointment or removal at the Office or at a meeting of the Directors or in the case of an appointment or removal in electronic form, at such address (if any) specified by the Company for that purpose. An alternate Director shall not be required to hold any shares in the capital of the Company and shall not be counted in reckoning the maximum and minimum numbers of Directors allowed or required by Article 99.

- 106.2 An alternate Director so appointed shall not be entitled as such to receive any remuneration from the Company except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but shall otherwise be subject to the provisions of these Articles with respect to Directors. An alternate Director shall during his appointment be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and shall not be deemed to be an agent of his appointor.
- 106.3 An alternate Director shall be entitled (subject to his giving to the Company either an address within the United Kingdom or an address for the purpose of sending or receiving documents or information by electronic means at which notices may be served upon him) to receive notices of all meetings of the Directors and of any committee of the Directors of which his appointor is a member, and shall be entitled to attend and vote as a Director at any such meeting at which his appointor is not personally present and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties as Director of his appointor.
- 106.4 The appointment of an alternate Director shall automatically determine on the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same meeting.
- 106.5 A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at meetings of the Directors or any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

BORROWING POWERS

107. DIRECTORS' BORROWING POWERS AND RESTRICTIONS ON BORROWING

- 107.1 The Directors shall restrict the borrowings of the Company, and shall so far as possible by the exercise of the Company's voting rights in and other rights or powers of control over its Subsidiary Undertakings secure that they restrict their borrowings, so that the aggregate principal amount at any time outstanding in respect of money borrowed by the Group shall not without the previous sanction of an ordinary resolution of the Company exceed a sum equal to three times the adjusted share capital and reserves.
- 107.2 For the purposes of this Article:
- (a) **"adjusted share capital and reserves"** means the aggregate of the amount paid up or credited as paid up on the allotted or issued share capital of the Company and the amount standing to the credit of each of the consolidated capital and revenue reserves (including any share premium account, capital redemption reserve, revaluation reserve and profit and loss account but net of any debit balance on profit and loss account) of the Group all as shown in the

latest audited consolidated balance sheet of the Group but adjusted as may be necessary:

- (i) to take account of any variation in the paid up share capital, share premium account or capital redemption reserve of the Company since the date of that balance sheet and so that for this purpose if any issue or proposed issue of shares by the Company for cash has been underwritten (whether conditionally or not) then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription money shall to the extent so underwritten be deemed to have been paid up on the date when the issue was underwritten;
- (ii) to take account in the case of Subsidiary Undertakings of the interests of participants outside the Group (if any) and any variation in the interest of the Company in any Subsidiary Undertaking between the date of the balance sheet and the date for which the calculation falls to be made;
- (iii) to add back an amount equal to amounts charged in respect of any deferred tax liabilities and any deficit relating to pensions and other post employment benefits, any asset or liability which has been re-valued under the provisions of IAS 32 or 39 or the corresponding UK standard, whether charged to profit and loss account or to fair value reserve (in each case) substituting the relevant amounts that would have been recognised had the accounts been prepared in accordance with the relevant accounting standards applicable to the Group's accounts for the year ended 31 March 2008 under UK generally accepted accounting principles insofar as they relate to the matters dealt with by IAS 32 and IAS 39 and deducting from reserves amounts credited in respect of any deferred tax assets and any surpluses relating to pensions and other post employment benefits or any asset or liability which has been re-valued under the provisions of IAS 32 or 39 or the corresponding UK standard, whether included in profit and loss account or in the fair value reserve (in each case) substituting the relevant amounts that would have been recognised had the accounts been prepared in accordance with the relevant accounting standards applicable to the Group's accounts for the year ended 31 March 2008 under UK generally accepted accounting principles insofar as they relate to the matters dealt with by IAS 32 and IAS 39. References in this paragraph to IAS are to those International Accounting Standards as from time to time amended, and any standards, principles, practice or rules that may from time to time, directly or indirectly, supplement or replace those standards or any part of them; and
- (iv) to take account of any other factor which the Directors or the Auditors consider relevant;

(b) **"money borrowed"** shall include:

- (i) the nominal amount and any fixed or minimum premium payable on redemption or repayment of any debentures or loan capital issued by any member of the Group;
- (ii) the nominal amount of any issued share capital and the principal amount of any money borrowed the redemption or repayment of which is guaranteed or secured or the subject of an indemnity by the Company or any Subsidiary Undertaking (together in each case with any fixed or minimum premium payable on final redemption or repayment) except so far as such money borrowed is otherwise taken into account as money borrowed by the Company or a Subsidiary Undertaking,

but the following shall be disregarded:

- (iii) money borrowed by a member of the Group from another member of the Group, other than amounts to be taken into account under Article 107.2(b)(v);
- (iv) any money borrowed intended to be applied within six months of being borrowed in the repayment of any money previously borrowed pending its application for such purpose within such period;
- (v) that proportion of the total money borrowed by any partly-owned Subsidiary Undertaking which its issued equity share capital not for the time being beneficially owned directly or indirectly by the Company bears to the whole of its issued equity share capital but a like proportion of any borrowings from such partly-owned Subsidiary Undertaking by the Company or any other Subsidiary Undertaking shall fall to be treated as borrowings of the Company or such other Subsidiary Undertaking notwithstanding the same would not otherwise be taken into account.
- (vi) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any of the Company and its Subsidiary Undertakings is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured;
- (vii) sums advanced or paid to any member of the Group (or its agent or nominee) by customers of any member of the Group as unexpended customer receipts or progress payments pursuant to any contract between such customer and a member of the Group in relation thereto;
- (viii) sums which fall to be treated as monies borrowed by any member of the Group by reason only of any current statement of standard accounting practice or other accounting principle or practice; and

- (ix) monies held by any member of the Group whether on deposit or current account or otherwise in connection with any scheme for the benefit of employees or their dependants.

107.3 For the purposes of calculating the amount of money borrowed under this Article there shall be credited (subject, in the case of any item held or deposited by a partly-owned Subsidiary Undertaking, to the exclusion of a proportion thereof equal to the proportion of the issued equity share capital of the partly-owned Subsidiary Undertaking which is not directly or indirectly attributable to the Company) against the gross amount of money borrowed the aggregate of:

- (a) cash in hand of the Group;
- (b) the realisable value of certificates of deposit and securities of governments and companies owned by a member of the Group; and
- (c) cash deposits and the credit balance on each current account of the Group with banks in the United Kingdom or elsewhere.

107.4 No person dealing with the Company or any Subsidiary Undertakings shall by reason of the foregoing provisions be concerned to see or enquire whether this limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual.

107.5 When moneys denominated or repayable in a currency other than sterling fall to be taken into account on any day for the purposes of this Article, such moneys shall be converted for the purpose of calculating the sterling equivalent either:

- (a) at the rate of exchange prevailing on that day in London **provided that** all but not some only of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the spot rate in London quoted at or about 11.00 am on the day in question by a London clearing bank, approved by the Directors, as being the rate for the purchase by the Company of the currency and amount); or
- (b) where the repayment of such moneys is expressly covered by a forward purchase contract at the rate of exchange specified therein.

107.6 A report by the Auditors stating what is in their opinion, based on their examination of the accounting records of the Group or such other evidence as they may think appropriate, the amount of the adjusted share capital and reserves or the amount of money borrowed or to the effect that the limit imposed by this Article was not or will not be exceeded at any time or times shall be conclusive evidence of such amount or fact for the purposes of this Article.

POWERS AND DUTIES OF DIRECTORS

108. POWERS OF COMPANY VESTED IN THE DIRECTORS

The business of the Company shall be managed by the Directors, who may exercise all the powers of the Company subject, nevertheless, to the provisions of these

Articles and of the Statutes, and to such directions as may be given by the Company in general meeting by special resolution, **provided that** no alteration of these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if such alteration had not been made or such direction had not been given. The general powers conferred upon the Directors by this Article shall not be deemed to be abridged or restricted by any specific power conferred upon the Directors by any other Article.

109. PENSIONS, INSURANCE AND GRATUITIES FOR DIRECTORS AND OTHERS

- 109.1 The Directors may exercise all the powers of the Company to give or award pensions, annuities, gratuities or other retirement, superannuation, death or disability allowances or benefits (whether or not similar to the foregoing) to (or to any person in respect of) any persons who are or have at any time been Directors of or employed by or in the service of the Company or of any body corporate which is or was a subsidiary undertaking or a parent undertaking of the Company or another subsidiary undertaking of a parent undertaking of the Company or otherwise associated with the Company or any such body corporate, or a predecessor in business of the Company or any such body corporate, and to the wives, widows, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any Director or former Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such trust, fund or scheme or otherwise).
- 109.2 Without prejudice to any other provisions of these Articles, the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the Company, or of any other body (whether or not incorporated) which is or was its parent undertaking or subsidiary undertaking or another subsidiary undertaking of any such parent undertaking (together "**Group Companies**") or otherwise associated with the Company or any Group Company or in which the Company or any such Group Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, or who are or were at any time trustees of (or directors of trustees of) any pension, superannuation or similar fund, trust or scheme or any employees' share scheme or other scheme or arrangement in which any employees of the Company or of any such other body are interested, including (without prejudice to the generality of the foregoing) insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the actual or purported exercise of their powers and discretions and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body, fund, trust, scheme or arrangement.

110. LOCAL BOARDS

The Directors may make such arrangements as they think fit for the management and transaction of the Company's affairs in the United Kingdom and elsewhere and may from time to time and at any time establish any local boards or agencies for managing any of the affairs of the Company in any specified locality, and may appoint any persons to be members of such local board, or any managers or agents, and may fix their remuneration. The Directors from time to time, and at any time, may delegate to any person so appointed any of the powers, authorities, and discretions for the time being vested in the Directors (other than the powers of borrowing and of making calls), with power to sub-delegate, and may authorise the members for the time being of any such local board, or any of them, to fill up any vacancies therein, and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation.

111. ATTORNEYS

The Directors may from time to time and at any time by power of attorney appoint any body corporate, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

112. CHANGE OF NAME

Subject to the Act, the Directors may by resolution change the name of the Company.

113. OVERSEAS BRANCH REGISTER

The Company may exercise the powers conferred upon the Company by the Statutes with regard to the keeping of an overseas branch register, and the Directors may (subject to the provisions of the Statutes) make and vary such regulations as they may think fit concerning the keeping of any such register.

114. DIRECTORS' PERMITTED INTERESTS AND ENTITLEMENT TO VOTE

- 114.1 Subject to the provisions of the Statutes, a Director may hold any other office or place of profit with the Company, except that of Auditor, in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the Company (otherwise than as Auditor), and in any such case on such terms as to remuneration and otherwise as the Directors may decide. Any such remuneration shall be in addition to any remuneration provided for by any other Article. No Director or intending Director shall be disqualified by his office from entering into, or being otherwise interested in, any of the foregoing, or any other contract, transaction

or arrangement with the Company or in which the Company has a (direct or indirect) interest. Subject to the provisions of the Statutes and save as therein provided no such contract, transaction or arrangement shall be liable to be avoided on the grounds of the Director's interest, nor shall any Director be liable to account to the Company for any remuneration or other benefit which derives from any such contract, transaction or arrangement or interest by reason of such Director holding that office or of the fiduciary relationship thereby established, but he shall declare the nature of his interest in accordance with the Statutes.

- 114.2 Save as herein provided, a Director shall not vote in respect of any contract, arrangement or transaction whatsoever in which he has an interest which is to his knowledge a material interest otherwise than by virtue of interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- 114.3 A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
- (a) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
 - (b) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (c) any proposal concerning an offer of securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (d) any contract, arrangement or transaction concerning any other body corporate in which he or any person connected with him (within the meaning of sections 252-5 of the Act) is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, **provided that** he and any persons so connected with him do not to his knowledge hold an interest (within the meaning of sections 820 to 825 of the Act) in one per cent. or more of any class of the equity share capital of such body corporate or of the voting rights available to members of the relevant body corporate;
 - (e) any contract, arrangement or transaction for the benefit of employees of the Company or any of its subsidiary undertakings which does not accord to him any privilege or advantage not generally accorded to the employees to whom the scheme relates;
 - (f) any contract, arrangement or transaction concerning any insurance which the Company is to purchase and/or maintain for, or for the benefit of, any Directors or persons including Directors;

- (g) the giving of an indemnity pursuant to Article 167; and
- (h) the provision of funds to any Director to meet, or the doing of anything to enable a Director to avoid incurring, expenditure of the nature described in section 205(1) or 206 of the Act.

114.4 A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.

114.5 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under paragraph 114.3(d) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

114.6 If any question shall arise at any meeting as to an interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

114.7 Subject to the provisions of the Statutes the Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any contract, arrangement or transaction not duly authorised by reason of a contravention of this Article.

97A. AUTHORISATION OF DIRECTOR'S CONFLICT OF INTEREST

97A.1 A Director may be authorised by the Company, in accordance with section 175 of the Act, to be in a situation or become involved in a matter, transaction or arrangement where his interests, directly or indirectly, conflict or may possibly conflict with the interests of the Company (a "**Conflict**"). A Director who has, or may have, a Conflict shall (as soon as he is aware that his interests may conflict with those of the Company) inform the Directors of that Conflict in accordance with proceedings of the Directors and these Articles and the Directors (other than the Director with the Conflict) shall be permitted to authorise the situation, matter, transaction or arrangement where they consider, in good faith, that to do so will be most likely to promote the Company's success. The Directors (other than the Director with the Conflict) may impose such limits or conditions as they believe desirable or appropriate when giving an authorisation, or subsequently to qualify an authorisation previously given. No authorisation shall be required under this Article where the conflict of interest, or possible conflict of interest, arises in relation to a transaction or arrangement with the Company.

97A.2 A Director shall not be in breach of any duty in respect of a situation, matter, transaction or arrangement that has been authorised by Article 97A.1 above:

- (a) if he receives confidential information as a result of the conflict situation from a third party and does not disclose this to the Company or use it for the Company's benefit; or
- (b) where he takes mitigating action when the actual conflict arises by taking action including, but not limited to, not attending board meetings of the Company or reading relevant board papers.

115. EXERCISE OF COMPANY'S VOTING POWERS

The Directors may exercise or procure the exercise of the voting rights conferred by the shares in any other body corporate held or owned by the Company or any power of appointment in relation to any other body corporate, and may exercise any voting rights or power of appointment to which they are entitled as directors of such other body corporate, in such manner as they shall in their absolute discretion think fit, including the exercise thereof in favour of appointing themselves or any of them as directors, officers or servants of such other body corporate, and fixing their remuneration as such, and may vote as Directors of the Company in connection with any of the matters aforesaid.

116. SIGNING OF CHEQUES ETC.

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

117. MINUTES

117.1 The Directors shall cause minutes to be recorded:

- (a) of all appointments of officers made by the Directors;
- (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
- (c) of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors.

117.2 It shall not be necessary for Directors present at any meeting of Directors or committee of Directors to sign their names in any minute book or other book kept for recording attendance. Minutes recorded as aforesaid, if purporting to be signed by the chairman of the meeting, or by the chairman of the next succeeding such meeting, shall be receivable as evidence of the matters stated in such minutes.

DISQUALIFICATION OF DIRECTORS

118. VACATION OF A DIRECTOR'S OFFICE

The office of a Director shall be vacated in any of the following events, namely:

- 118.1 if a bankruptcy order is made against him or he makes any arrangement or composition with his creditors generally;
- 118.2 if he becomes prohibited by law from acting as a Director;
- 118.3 if, in England or elsewhere, an order is made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his property or affairs;
- 118.4 if he resigns his office by notice to the Company or offers to resign and the Directors resolve to accept such offer;
- 118.5 if, not having leave of absence from the Directors, he and his alternate (if any) fail to attend the meetings of the Directors for six successive months, unless prevented by illness, unavoidable accident or other cause which may seem to the Directors to be sufficient, and the Directors resolve that his office be vacated;
- 118.6 if a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
- 118.7 if, by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 118.8 if, by notice in writing delivered to or received at the Office or, in the case of a notice in electronic form, at such address (if any) specified by the Directors for that purpose or tendered at a meeting of the Directors, his resignation is requested by all of the other Directors (but so that this shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company).

RETIREMENT AND SUBMISSION FOR RE-ELECTION OF DIRECTORS

119. REGULAR SUBMISSION OF DIRECTORS FOR RE-ELECTION

At every annual general meeting, there shall retire from office any Director who shall have been a Director at each of the preceding two annual general meetings and who was not appointed or re-appointed by the Company in general meeting at, or since, either such meeting. A retiring Director shall be eligible for re-appointment. A Director retiring at a meeting shall, if he is not re-appointed at such meeting, retain office until the meeting appoints someone in his place, or if it does not do so, until the conclusion of such meeting.

120. APPOINTMENT OF DIRECTORS BY SEPARATE RESOLUTION

A single resolution for the appointment of two or more persons as Directors shall not be put at any general meeting, unless an ordinary resolution that it should be so put has first been agreed to by the meeting without any vote being given against it.

121. PERSONS ELIGIBLE FOR APPOINTMENT

No person other than a Director retiring at the meeting shall, unless recommended by the Directors, be eligible for appointment to the office of Director at any general meeting unless not less than seven nor more than 42 days before the date appointed for the meeting there shall have been left at the Office notice in writing, signed by a Member duly qualified to attend and vote at such meeting, of his intention to propose such person for appointment, and also notice in writing signed by that person of his willingness to be appointed.

122. CASUAL VACANCIES AND ADDITIONAL DIRECTORS – POWERS OF COMPANY

Subject as aforesaid, the Company may from time to time by ordinary resolution appoint a person who is willing to act to be a Director either to fill a casual vacancy or as an additional Director.

123. CASUAL VACANCIES AND ADDITIONAL DIRECTORS – POWERS OF DIRECTORS

The Directors shall have power at any time, and from time to time, to appoint any person to be a Director of the Company, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the maximum number, if any, fixed by or pursuant to these Articles. Any Director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for reappointment. If not reappointed at such meeting, he shall vacate office at the conclusion thereof.

124. POWER OF REMOVAL BY ORDINARY RESOLUTION

The Company may by ordinary resolution, of which special notice has been given in accordance with the provisions of the Statutes, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

125. APPOINTMENT OF REPLACEMENT DIRECTOR

Subject to Article 121, the Company may by ordinary resolution appoint another person in place of a Director removed from office under the immediately preceding Article.

PROCEEDINGS OF DIRECTORS

126. BOARD MEETINGS AND PARTICIPATION

The Directors may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Without prejudice to the foregoing, all or any of the Directors or of the members of any committee of the Directors may participate in a meeting of the Directors or of that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other and to address each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is then present. The word "**meeting**" in these Articles shall be construed accordingly.

127. QUORUM AT BOARD MEETINGS

The Directors may determine the quorum necessary for the transaction of business. Until otherwise determined two Directors shall constitute a quorum. A meeting of the Directors shall not be quorate unless a majority of the Directors present are EEA Nationals (as defined in Article 46.2).

128. VOTING AT BOARD MEETINGS

Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Any Director may waive notice of any meeting and any such waiver may be retrospective.

129. NOTICE OF BOARD MEETINGS

Notice of a meeting of the Directors shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose or sent in electronic form to such address (if any) for the time being specified by him or on his behalf to the Company for that purpose. A Director absent or intending to be absent from the United Kingdom may request the Directors that notices of meetings of the Directors shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, whether or not out of the United Kingdom, or be sent by electronic means to such address (if any) for the time being notified by him to the Company for that purpose. If no such request is made to the Directors, it shall not be necessary to send notice of a meeting of the Directors to any Director who is for the time being absent from the United Kingdom.

130. DIRECTORS BELOW MINIMUM

The continuing Directors or sole continuing Director may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number

of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

131. APPOINTMENT OF CHAIRMAN AND DEPUTY CHAIRMAN OF MEETINGS

The Directors may elect one of their number as a chairman of their meetings, and one of their number to be the deputy chairman of their meetings and may at any time remove either of them from such office; but if no such chairman or deputy chairman is elected, or if at any meeting neither the chairman nor the deputy chairman is present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number to be chairman of such meeting.

132. DELEGATION OF DIRECTORS' POWERS TO COMMITTEES

The Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve any payment to or the conferring of any other benefit on all or any of the Directors) to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Insofar as any such power or discretion is delegated to a committee any reference in these Articles to the exercise by the Directors of such power or discretion shall be read and construed as if it were a reference to the exercise of such power or discretion by such committee. Any committee so formed shall in the exercise of the powers and discretions so delegated conform to any regulations that may from time to time be imposed by the Directors in default of which the meetings and proceedings of a committee consisting of more than one member shall be governed *mutatis mutandis* by the provisions of these Articles regulating the proceedings and meetings of the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee.

133. VALIDITY OF DIRECTORS' ACTS

All acts done by any meeting of the Directors or of a committee of the Directors or by any person acting as a Director or as a member of a committee shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment or continuance in office of any of the persons acting as aforesaid, or that any of such persons were disqualified from holding office or not entitled to vote on the matter in question, or had in any way vacated office, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director or member of the committee and was entitled to vote.

134. WRITTEN RESOLUTION OF DIRECTORS

A resolution in writing, signed or otherwise agreed to by all the Directors for the time being entitled to receive notice of a meeting of the Directors or by all the members of a committee for the time being, shall be as valid and effective for all purposes as a resolution passed at a meeting duly convened and held, and may consist of two or more documents in like form each signed or agreed to by one or more of the Directors

or members of such committee. Such a resolution in writing need not be signed or agreed to by an alternate Director if it is signed or agreed to by the Director who appointed him.

MANAGING AND EXECUTIVE DIRECTORS

135. APPOINTMENT OF EXECUTIVE DIRECTORS

Subject to the provisions of the Statutes, the Directors may from time to time appoint one or more of their body to the office of Managing Director or to hold such other executive office in relation to the management of the business of the Company as they may decide, for such period and on such terms as they think fit, and, subject to the terms of any service contract entered into in any particular case and without prejudice to any claim for damages such Director may have for breach of any such service contract, may revoke such appointment. Without prejudice to any claim for damages such Director may have for breach of any service contract between him and the Company, his appointment shall be automatically determined if he ceases from any cause to be a Director.

136. REMUNERATION OF EXECUTIVE DIRECTORS

The salary or remuneration of any Managing Director or such executive Director of the Company shall, subject as provided in any contract, be such as the Directors may from time to time determine, and may either be a fixed sum of money, or may altogether or in part be governed by the business done or profits made, and may include the making of provisions for the payment to him, his widow or other dependants, of a pension on retirement from the office or employment to which he is appointed and for the participation in pension and life assurance and other benefits, or may be upon such other terms as the Directors determine.

137. POWERS OF EXECUTIVE DIRECTORS

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

SECRETARY

138. APPOINTMENT AND REMOVAL OF SECRETARY

Subject to the provisions of the Statutes, the Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they think fit and any Secretary may be removed by them.

THE SEAL

139. USE OF SEAL

- 139.1 The Directors shall provide for the safe custody of the Seal and any official seal kept under section 45 of the Act, and neither shall be used without the authority of the

Directors or of a committee of the Directors authorised by the Directors in that behalf. Every instrument to which either shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors, save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some mechanical or electronic method or system.

- 139.2 Where the Statutes so permit, any instrument signed by one Director and the Secretary or by two Directors or by a Director in the presence of a witness who attests the signature, and expressed, in whatever words, to be executed by the Company shall have the same effect as if executed under the Seal, **provided that** no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to be a deed without the authority of the Directors or of a committee authorised by the Directors in that behalf. The Directors may by resolution determine that such signatures or either of them shall be affixed by some mechanical or electronic method or system.

RESERVE

140. ESTABLISHMENT OF RESERVE

The Directors may from time to time set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Directors think fit. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

DIVIDENDS

141. DECLARATIONS OF DIVIDENDS BY COMPANY

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

142. PAYMENT OF INTERIM AND FIXED DIVIDENDS BY DIRECTORS

Subject to the provisions of the Statutes, the Directors:

- (a) may from time to time pay such interim dividends as they think fit;
- (b) may also pay the fixed dividends payable on any shares of the Company half-yearly or otherwise on fixed dates.

If the Directors act in good faith, they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer in consequence of the payment of an interim dividend on any shares having non-preferred or deferred rights.

143. RESTRICTIONS ON DIVIDENDS

No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of the Statutes.

144. CALCULATION OF DIVIDENDS

Subject to the Statutes, and to the rights of persons, if any, entitled to shares with any priority, preference or special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purpose of this Article as paid up on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as if paid up in full or in part from a particular date, whether past or future, such share shall rank for dividend accordingly.

145. DEDUCTIONS OF AMOUNTS DUE ON SHARES AND WAIVER OF DIVIDENDS

145.1 The Directors may deduct from any dividend or other monies payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company.

145.2 The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder or otherwise by operation of law) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

146. DIVIDENDS OTHER THAN IN CASH

Any general meeting declaring a dividend may, upon the recommendation of the Directors, direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other body corporate, and the Directors shall give effect to such direction. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

147. PAYMENT PROCEDURE

147.1 All dividends and other distributions shall be paid (subject to any lien of the Company) to those Members whose names shall be on the Register at the date at which such dividend shall be declared or at such other time and/or date as the Company by ordinary resolution or the Directors may determine.

147.2 The Company may pay any dividend or other monies payable in cash in respect of shares by direct debit, bank or other funds transfer system (subject always, in respect of shares in uncertificated form, to the facilities and requirements of the relevant system concerned, where payment is to be made by means of such system), or by cheque, dividend warrant or money order and may remit the same by post directed to the registered address of the holder or person entitled thereto (or, in the case of joint holders or of two or more persons entitled thereto, to the registered address of the person whose name stands first in the Register), or to such person and to such address as the holder or joint holders or person or persons may in writing direct, and the Company shall not be responsible for any loss of any such cheque, warrant or order nor for any loss in the course of any such transfer or where it has acted on any such directions. Every such cheque, warrant or order shall be made payable to, or to the order of, the person to whom it is sent, or to, or to the order of, such person as the holder or joint holders or person or persons entitled may in writing direct, and the payment of such cheque, warrant or order or the collection of funds from or transfer of funds by a bank in accordance with such direct debit or bank or other funds transfer or, in respect of shares in uncertificated form, the making of payment by means of the relevant system concerned, shall be a good discharge to the Company. Any one of two or more joint holders of any share, or any one of two or more persons entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, may give effectual receipts for any dividends or other monies payable or property distributable on or in respect of the share.

148. INTEREST

Subject to the rights attaching to, or the terms of issue of, any shares, no dividend or other monies payable on or in respect of a share shall bear interest against the Company.

149. FORFEITURE OF DIVIDENDS

All dividends or other sums payable on or in respect of any share which remain unclaimed may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of 12 years or more after becoming due for payment shall be forfeited and shall revert to the Company. The payment of any unclaimed dividend or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee thereof.

CAPITALISATION OF PROFITS AND SCRIP DIVIDENDS

150. POWER TO CAPITALISE

Subject to the provisions of Article 151, the Directors may capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (including any share premium account and capital redemption reserve) or to the credit of the profit and loss account (in each case, whether or not such amounts are available for distribution), and appropriate the sum resolved to be capitalised either:

150.1 to the holders of ordinary shares (on the Register at such time and on such date as may be specified in, or determined as provided in, the resolution of the general

meeting granting authority for such capitalisation) who would have been entitled thereto if distributed by way of dividend and in the same proportions (including, for this purpose, any shares in the Company held as treasury shares, as if the restriction on payment of dividends in the Statutes did not apply); and the Directors shall apply such sum on their behalf either in or towards paying up any amounts, if any, for the time being unpaid on any shares held by such holders of ordinary shares respectively or in paying up in full at par shares or debentures of the Company to be allotted credited as fully paid up to such holders of ordinary shares in the proportions aforesaid, or partly in the one way and partly in the other; or

- 150.2 to such holders of ordinary shares who may, in relation to any dividend or dividends, validly accept an offer or offers on such terms and conditions as the Directors may determine (and subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with legal or practical problems in respect of overseas shareholders or in respect of shares represented by depository receipts) to receive new ordinary shares, credited as fully paid up, in lieu of the whole or any part of any such dividend or dividends (any such offer being called a "**Scrip Dividend Offer**"); and the Directors shall apply such sum on their behalf in paying up in full at par shares (in accordance with the terms, conditions and exclusions or other arrangements of the Scrip Dividend Offer) to be allotted credited as fully paid up to such holders respectively.

151. **AUTHORITY REQUIRED**

- 151.1 The authority of the Company in general meeting shall be required before the Directors implement any Scrip Dividend Offer (which authority may extend to one or more offers).
- 151.2 The authority of the Company in general meeting shall be required for any capitalisation pursuant to Article 150.1 above.
- 151.3 A share premium account and a capital redemption reserve and any other amounts which are not available for distribution may only be applied in the paying up of shares to be allotted to holders of ordinary shares of the Company credited as fully paid up.

152. **PROVISION FOR FRACTIONS ETC.**

Whenever a capitalisation requires to be effected, the Directors may do all acts and things which they may consider necessary or expedient to give effect thereto, with full power to the Directors to make such provision as they think fit for the case of shares or debentures becoming distributable in fractions (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned) and also to authorise any person to enter on behalf of all Members concerned into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

ACCOUNTING RECORDS

153. ACCOUNTING RECORDS TO BE KEPT

The Directors shall cause accounting records to be kept in accordance with the provisions of the Statutes.

154. LOCATION OF ACCOUNTING RECORDS

The accounting records shall be kept at the Office or, subject to the provisions of the Statutes, at such other place or places as the Directors think fit.

155. INSPECTION OF ACCOUNTING RECORDS

The accounting records shall always be open to the inspection of the officers of the Company.

156. POWER TO EXTEND INSPECTION TO MEMBERS

The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the Company or any of them shall be open to the inspection of Members not being Directors.

157. LIMIT ON MEMBERS' RIGHT TO INSPECT

No Member (not being a Director) shall have any right of inspecting any account or book or document or information of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting.

AUDIT

158. APPOINTMENT OF AUDITORS

Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes.

NOTICES

159. SERVICE OF NOTICE AND CURTAILMENT OF POSTAL SERVICE

A notice or other document (including a share certificate) or information may be given, sent, supplied, delivered or provided by the Company to any Member in accordance with the Act, subject to these Articles.

- 159.1 Subject to the Statutes, if at any time by reason of the suspension or any curtailment of postal services in the United Kingdom or of services for delivery by electronic means, the Company is unable in the opinion of the Directors effectively to convene a general meeting by notices sent through the post or (in the case of those Members in respect of whom an address has for the time being been notified to the Company, in a manner specified by the Directors, for the purpose of giving notices by electronic means) by electronic means, a general meeting may be convened by a notice advertised in at least one national newspaper and such notice shall be deemed to have been duly served on all Members and other persons entitled thereto at noon on the day

when the advertisement has appeared. In any such case the Company shall send confirmatory copies of the notice by post or (as the case may be) by electronic means if, at least seven days prior to the date of the general meeting, the posting of notices to addresses throughout the United Kingdom or (as the case may be) the sending of notices by electronic means again becomes, in the opinion of the Directors, practicable.

160. MEMBERS RESIDENT ABROAD

A Member who has no registered address within the United Kingdom, and has not supplied to the Company an address within the United Kingdom at which notices or other documents or information may be given to him, shall not be entitled to receive any notice or other documents or information from the Company. Notwithstanding the foregoing, such a Member shall not be entitled to receive any notice or other documents or information from the Company even if he has supplied an address for the purpose of receiving notices or other documents or information in electronic form.

161. NOTICE DEEMED SERVED

161.1 Where a notice or other document or information is given, sent, supplied, delivered or provided by the Company by post, service of the notice or other document or information shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice or other document or information, and to have been effected at the latest at the expiration of 24 hours if prepaid as first-class and at the latest at the expiration of 48 hours if prepaid as second-class after the letter containing the same is posted. In proving such service it shall be sufficient to prove that the letter containing the same was properly addressed and stamped and put in the post.

161.2 Where a notice or other document or information is given, sent, supplied, delivered or provided by the Company by electronic means, service of the notice or other document or information shall be deemed to be effected by sending it by electronic means to an address for the time being notified to the person giving the notice or other document or information or as otherwise permitted by the Statutes for that purpose, and to have been effected at the latest at the expiration of 24 hours from when it was sent. In proving such service it shall be sufficient to prove that the notice or other document or information was properly addressed subject to the provisions of section 1147(4) of the Act as to deemed delivery of documents or information by means of a website.

162. NOTICE TO JOINT HOLDERS

A notice or other document or information may be given, sent, supplied, delivered or provided by the Company to the joint holders of a share by giving, sending, supplying, delivering or providing the notice or other document or information to the joint holder first named in the Register in respect of the share.

Anything to be agreed or specified by joint holders of a share may be agreed or specified by any of the joint holders (and any such agreement or specification shall be deemed for all purposes to be agreed or specified by all the joint holders) unless the

Directors require it to be agreed or specified by all the joint holders or by the joint holder first named in the Register in respect of the share.

163. SERVICE OF NOTICE ON PERSONS ENTITLED BY TRANSMISSION

A notice or other document or information may be given, sent, supplied, delivered or provided by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law by giving, sending, supplying, delivering or providing it addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, to the address, if any, within the United Kingdom supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving, sending, supplying, delivering or providing the notice or other document or information in any manner in which the same might have been given, sent, supplied, delivered or provided if the death or bankruptcy or other event had not occurred.

ELECTRONIC COMMUNICATION

164. ELECTRONIC COMMUNICATION

Notwithstanding anything in these Articles to the contrary:

- 164.1 Any document or information to be given, sent, supplied, delivered or provided to any person by the Company, whether pursuant to these Articles, the Statutes or otherwise, is also to be treated as given, sent, supplied, delivered or provided where it is made available on a website, or is sent in electronic form, in the manner provided by the Act for the purposes of, *inter alia*, the Act (subject to the provisions of these Articles).

For the purposes of paragraph 10(2)(b) of schedule 5 to the Act, the Company may give, send, supply, deliver or provide documents or information to Members by making them available on a website.

For the purposes of paragraph 6.1.8R(1) of the Disclosure and Transparency Rules, the Company may use electronic means (as defined therein) to convey information or documents to Members.

- 164.2 The Directors may from time to time make such arrangements or regulations (if any) as they may from time to time in their absolute discretion think fit in relation to the giving of notices or other documents or information by electronic means by or to the Company and otherwise for the purpose of implementing and/or supplementing the provisions of these Articles and the Statutes in relation to electronic means; and such arrangements and regulations (as the case may be) shall have the same effect as if set out in this Article.

PROVISION FOR EMPLOYEES

165. PROVISION FOR EMPLOYEES

The power conferred upon the Company by section 247 of the Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries, in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any subsidiary shall only be

exercised by the Company with the prior sanction of a special resolution and in any case subject to the provisions of the Act. If at any time the capital of the Company is divided into different classes of shares, the exercise of such power as aforesaid shall be deemed to be a variation of the rights attached to each class of shares in issue and shall accordingly require either (i) the prior consent in writing of the holders of at least three-quarters of the nominal value of the issued shares or (ii) the prior sanction of a special resolution passed at a separate general meeting of the holders of the shares of each class, in accordance with the provisions of Article 16.

WINDING UP

166. DISTRIBUTION OF ASSETS

If the Company shall be wound up the liquidator may, subject to the Statutes, with the sanction of a special resolution of the Company and any other sanction required by the Statutes, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities or other assets whereon there is any liability.

INDEMNITY

167. INDEMNITY OF OFFICERS

Subject to the provisions of the Statutes (but so that this Article does not extend to any matter insofar as it would cause this Article or any part of it to be void under the Statutes) but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every person who is or was at any time a Director or other officer of the Company or any Group Company (as defined in Article 109.2) excluding the Auditors may be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities (together "**Liabilities**") which he may sustain or incur in or about the actual or purported execution and/or discharge of his duties (including those duties, powers and discretions in relation to any Group Company (as defined in Article 109.2) or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Act)) and/or the actual or purported exercise of his powers or discretions and/or otherwise in relation thereto or in connection therewith, including (without prejudice to the generality of the foregoing) any Liability suffered or incurred by him in disputing, defending, investigating or providing evidence in connection with any actual or threatened or alleged claims, demands, investigations, or proceedings, whether civil, criminal, or regulatory or in connection with any application under section 661(3) or (4) or section 1157 of the Act.

168. FUNDING OF EXPENDITURE IN DEFENDING PROCEEDINGS

The Company may also provide funds to any Director or other officer of the Company or of any Group Company (as defined in Article 109.2) (excluding the Auditors) to meet, or do anything to enable a Director or other officer of the Company or any Group Company (as defined in Article 109.2) to avoid incurring expenditure of the nature described in sections 205(1) or 206 of the Act.