

THE COMPANIES ACTS 1985 TO 2006
PUBLIC COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
(Adopted by Special Resolution on 3 June 2010)

of

PEEL HOTELS PLC
No: 3473990

INTERPRETATION

1 Interpretation

- 1.1 Unless the context otherwise requires, in these Articles the following words and phrases shall bear the meanings ascribed to them by this

address means, in relation to a communication made by electronic means, any number or address used for the purposes of that communication (including, without limitation, in the case of an Uncertificated Proxy Instruction (as defined in Article 70) an identification number of a participant in the Relevant System concerned),

AIM means the AIM market operated by the London Stock Exchange,

Articles means these Articles of Association as altered or amended from time to time,

Auditors means the auditors for the time being of the Company,

Board means the board of Directors of the Company or the Directors present at a duly convened meeting of the Directors at which a quorum is present,

clear days means, in relation to a period of notice, that period excluding the day on which the notice is given or deemed to have been given, the date on which the notice is received or deemed to have been received, and the day on which it is to take effect,

Companies Acts means the 1985 Act, the 2006 Act and every other statute (and any subordinate legislation, order or regulations made under any of them) concerning companies and affecting the Company (including, without limitation, the Regulations), in each case, as they are for the time being in force,

Company means Peel Hotels Plc,

Daily Official List means the daily record published by the London Stock Exchange setting out the prices of all trades in securities conducted on the London Stock Exchange,

Director means a Director of the Company,

Group means the Company and its subsidiaries and subsidiary undertakings (if any),

holder means the person whose name is entered in the Register as the holder of the relevant shares,

London Stock Exchange means London Stock Exchange Plc,

member means a member of the Company,

Memorandum means the Memorandum of Association of the Company as amended from time to time,

Month means a calendar month,

Ordinary shares means ordinary shares of 5 pence each in the capital of the Company,

Operator means "Operator" as defined in the Regulations,

Office means the Company's registered office for the time being,

Register means, in relation to a certificated share or the holder of it, the register of members maintained by the Company and, in relation to an uncertificated share or the holder of it, the register of members of the Company maintained by the Operator of a Relevant System through which title to that share is evidenced and transferred and "registered" shall be construed accordingly,

Regulations means the Uncertificated Securities Regulations 2001 as amended or replaced from time to time and any subordinate legislation or rules made under them for the time being in force,

Remuneration Committee means a Committee of the Board appointed by the Board,

Relevant System means any computer-based system and procedures, permitted by the Regulations and the rules of the UK Listing Authority, which enable title to units of a security to be evidenced and transferred without a written instrument,

Seal means the common seal of the Company and any other official seal of the Company adopted by the Company,

Secretary means the secretary of the Company and any other person appointed to perform the duties of the secretary of the Company,

Subsidiary means "subsidiary" as defined in the 2006 Act and includes "subsidiary undertaking" as defined in the 2006 Act,

transfer instrument means the instrument of transfer of any share in the capital of the Company,

United Kingdom means the United Kingdom of Great Britain and Northern Ireland,

UK Listing Authority means the Financial Services Authority acting as the competent authority for the purposes of the Financial Services and Markets Act 2000 (or any successor or other body appointed pursuant to the same or corresponding legislation to fulfil the relevant or corresponding duty or obligation),

writing means any mode of representing or reproducing words in legible form including, unless provided otherwise, by electronic means or in electronic form,

1985 Act means the Companies Act 1985, and

2006 Act means the Companies Act 2006

- 1 2 Reference to an "Article" is to an Article in these Articles
- 1 3 Words importing any particular gender shall include any other gender Words importing the singular number shall include the plural and vice versa
- 1 4 Reference to a person includes (without limitation) any individual, firm, company, corporation, government, state or agency of state or any association, trust or partnership (whether or not having a separately legal personality)
- 1 5 Reference to any statute or statutory provision shall be construed as including any consolidation, re-enactment, amendment or replacement of the same and any provision which it amends, re-enacts, consolidates or replaces
- 1 6 Any words or expressions defined in the Companies Acts shall (if not inconsistent with the subject or context and unless defined otherwise in the Articles) have the same meaning in these Articles
- 1 7 References to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person
- 1 8 Words and expressions used in the Regulations have the same meaning when used in these Articles
- 1 9 References to a share (or to a holding of shares) being in uncertificated form or in certificated form are references, respectively, to that share being an uncertificated unit of a security or a certificated unit of a security
- 1 10 For the purposes of these Articles, a "dematerialised instruction" is properly authenticated if it complies with the specifications referred to in paragraph 5(b) of Schedule 1 to the Regulations
- 1 11 Where pursuant to any provision of these Articles any notice, appointment of proxy or other document which is in electronic form is required to be signed or executed by or on behalf of any person, that signature or execution includes

the affixation by or on behalf of that person of an electronic signature (as defined in section 7(2) Electronic Communications Act 2000) in such form as the Directors may approve

SHARE CAPITAL

2 Capital

The authorised share capital of the Company is £2,500,000 divided into 25,000,000 ordinary shares of 10 pence each

3 Allotment and issue of Shares

Subject to the provisions of these Articles and the Companies Acts, the power of the Company to allot and issue shares shall be exercised by the Board and any unissued shares shall be at the disposal of the Board which may allot, issue or grant options over such shares to such persons at such times and upon such terms as the Board thinks fit

4 Rights attached to Shares

Subject to the Companies Acts and to any rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or if no such resolution has been passed or so far as the resolution does not make specific provision, then such rights as the Board may decide (but so that no shares shall be issued at a discount)

5 Redeemable Shares

Subject to the Companies Acts and to any rights conferred on the holders of any other shares, any share may be issued which is to be redeemed or is to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these Articles

6 Warrants

The Directors with respect to fully paid-up shares may issue warrants (**share warrants**) stating that the bearer is entitled to subscribe the shares specified, and may provide by coupons or otherwise for the payment of future dividends on the shares included in such warrants. The Directors may at any time determine and vary the conditions upon which share warrants may be issued and upon which a new share warrant may be issued in the place of one worn out, defaced or destroyed, but no share warrant will be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed. The Directors may also at any time determine and vary the conditions upon which the bearer of a share warrant is entitled to receive notices of and attend and vote at general meetings or to join in requisitioning general meetings, and upon which a share warrant may be surrendered and the name of the holder entered in the register in respect of the shares specified. The holder of a share warrant shall hold such warrant subject to the conditions for the time being in force with regard to share warrants whether made before or after the issue of such warrant

7 Underwriting Commission

The Company may exercise the powers of paying commissions conferred by the Companies Acts. Subject to the Companies Acts and the rules of the London Stock Exchange, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

8 Trusts

Except as required by law, the Company shall be entitled to treat the registered holder of any shares as their legal and beneficial owner and shall not (save as required by law or as provided by these Articles) be bound by or obliged to recognise any equity or interest in such share.

9 Uncertificated Securities

9.1 Nothing in these Articles requires title to any shares or other securities of the Company to be evidenced by a certificate if the Companies Acts and the UK Listing Authority permit otherwise.

9.2 Subject to the Companies Acts and the rules of the UK Listing Authority, the Board, without further consultation with the holders of any shares or securities of the Company, may resolve that any class or classes of shares or other securities of the Company from time to time in issue or to be issued may be in uncertificated form and no provision of these Articles will apply to any uncertificated shares or other securities of the Company to the extent they are inconsistent with the holding of such shares or other securities in uncertificated form or the transfer of title to any such shares or other securities by means of a Relevant System.

9.3 To the extent that any provision of these Articles is inconsistent in any respect with the terms of the Regulations in relation to any uncertificated shares or other uncertificated securities of the Company, that provision shall not apply to those shares or securities and instead the Regulations shall apply.

10 Operator

10.1 Pursuant to regulations

(a) title to the Company's Ordinary Shares may be transferred by means of a Relevant System, and

(b) such Relevant System shall include the relevant system of which Euroclear UK & Ireland Limited is to be the Operator.

11 Purchase of Own Shares

11.1 Subject to the Companies Acts, the Company may purchase all or any of its shares of any class, including any redeemable shares.

11.2 Every contract providing for the purchase by the Company of its own shares shall be authorised by such resolution of the Company as may be required by the Companies Acts, and if at the date of such resolution the Company has outstanding any shares which entitle the holders to convert them into equity.

share capital of the Company, then by a special resolution passed at a separate class meeting of the holders of those shares of that class. Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares. Notwithstanding anything to the contrary contained in these Articles the rights attached to any class of shares shall not be deemed to be varied by anything done by the Company pursuant to this Article.

12 Share Certificates

- 12.1 Every member (except a financial institution as defined in Section 185 of the 1985 Act) shall be entitled to receive one certificate for all the shares of each class registered in such member's name without payment.
- 12.2 Every certificate shall specify the quantity, class and distinctive number of shares in respect of which it is issued and the amounts paid up on them.
- 12.3 Every certificate for shares shall be issued under the Seal or subject, to the provisions of the Companies Acts, in such other manner as the Directors may resolve. Whether or not certificates are issued under the Seal, the Directors may by resolution decide that any signatures on any certificates need not be applied by hand, but may be affixed by some other method or that certificates need not be signed by any person.
- 12.4 Where only some of the shares comprised in a share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of the shares shall be issued to the registered holder without charge.
- 12.5 Shares of different classes may not be included in the same certificate.
- 12.6 Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- 12.7 The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
- 12.8 In the case of shares held jointly by several persons any such request mentioned in this Article or Article 12.9 may be made by any one of the joint holders.
- 12.9 If a share certificate is lost or destroyed, it shall be renewed on such terms (if any) as to evidence and indemnity as the Board may reasonably require. Where it is worn out or defaced it shall be replaced after delivery of the existing certificate to the Company. In such cases, such certificate shall be issued without charge, save that the person to whom the new certificate is issued shall pay to the Company any exceptional out of pocket expenses incurred by the Company.

LIEN

13 Lien

The Company shall have a first and paramount lien on every share (not being a fully paid-up share) for all money (whether presently payable or not) payable at a fixed time or called in respect of a share. The Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any dividend declared in respect of such share and any other amount payable in respect of it.

14 Enforcement of Lien

If a sum in respect of which a lien exists is then due and is not paid within 14 clear days after written notice demanding payment of the sum has been served on the holder of any share or the person entitled to the share by reason of death or bankruptcy of the holder stating that if the notice is not complied with the share may be sold, the Company may sell such shares in such manner as the Board may decide.

15 Title

To give effect to a sale, the Board may authorise some person to execute any transfer instrument to or in accordance with the directions of the purchaser. The title of the transferee to the share shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale and he shall not be bound to see to the application of the purchase money.

16 Proceeds of Sale

The net proceeds after payment of costs of a sale by the Company of any share on which it has a lien shall be applied in or towards payment or satisfaction of the debt or liability in respect of which the lien exists so far as then payable and any residue shall (upon surrender to the Company for cancellation of the certificate for the share sold and subject to a like lien for any money not presently payable or any liability not likely to be presently fulfilled or discharged as existed upon the share before the sale) be paid to the holder of (or person entitled by transmission to) the share immediately before the sale.

CALLS ON SHARES

17 Making of Calls

Subject to the terms of allotment the Board may from time to time make calls upon the members in respect of any money unpaid on their shares (whether on account of the nominal amount of those shares or by way of premium). However, no call shall be payable within one month after the date fixed for payment of the last preceding call. Each member shall, subject to receiving at least 14 clear days' notice specifying the time and place for payment, pay the amount called on his shares to the proper recipient at the time and place specified in the notice of call. A call may be made payable by instalments. A call may be revoked in whole or part or a time fixed for its payment postponed by the Board.

18 Time of Call

A call shall be deemed to be made at the time when the resolution of the Board authorising the call is passed. A person upon whom a call is made shall remain liable for calls made on him notwithstanding the subsequent transfer of any shares in respect of which the call was made.

19 Differences in Amounts Payable and Payment Times

The Board may make arrangements on the allotment of shares for a difference between the allottees or holders of such shares in the amount of calls to be paid and in the times of payment of such calls.

20 Joint Holders

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

21 Interest on Arrears

If a call remains unpaid after it has become due and payable then the unpaid amount shall be liable to interest at such rate not exceeding 15% per annum as the Board shall determine from the day on which it became due and payable to the time of actual payment. The Board may waive the payment of such interest wholly or in part.

22 Instalments to be treated as Calls

If by the conditions of allotment of any share, any amount is made payable at any fixed time (whether on account of the nominal amount of the shares or by way of premium) every such amount shall be payable as if it were a call duly made by the Board of which due notice had been given. All Articles relating to the payment of calls, interest, expenses and the forfeiture of shares for non-payment of calls shall apply to every such amount and the share in respect of which it is payable.

23 Payment in advance

The Board may if it thinks fit receive from any member willing to advance to the Company all or any part of the money uncalled and unpaid upon any shares held by him, and the Board may pay interest on all or any of the money so advanced (until it would but for such advance become presently payable) at such rate not exceeding 15% per annum as the Board may decide. No sum paid in advance of a call shall entitle any member in respect of a share to any portion of a dividend declared in respect of any period prior to the date upon which such sum would otherwise have become payable.

24 Notice requiring Payment

If any member fails to pay the whole or part of any call or instalment of a call on the day appointed for payment, the Board may at any time thereafter during such time as any sum remains unpaid serve a notice on him (a "call payment notice") requiring him to pay so much of the call or instalment as is unpaid, together with interest accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment.

25 Contents of Payment Notice

A call payment notice shall fix a further time and place (not being less than 14 clear days from the date of the notice) on or before which the payment required by the call payment notice is to be made. The notice shall also state that in the event of non-payment at or before the time and at the place specified, the share in respect of which such call payment notice is served will be liable to forfeiture.

FORFEITURE

26 Forfeiture for Non-Compliance

If the requirements of a call payment notice are not complied with any share in respect of which such notice has been given may at any time before the payment required by the notice has been made be forfeited by a resolution of the Board to that effect. Every such forfeiture shall extend to all dividends declared and other sums payable in respect of the forfeited share but not actually paid before such forfeiture. The Board may accept surrender of any share liable to be forfeited upon such terms and conditions as may be agreed so that (subject to such terms and conditions) a surrendered share shall be treated as if it has been forfeited.

27 Forfeited Shares the Property of the Company

Subject to the Companies Acts, any forfeited share shall be the property of the Company and no voting rights shall be exercised in respect of it. The Board may sell, re-allot or otherwise dispose of such share in such manner as the Board decides, either to the person who was before the forfeiture the holder or to any other person and either with or without any past or accruing dividends and in the case of re-allotment, with or without any money paid upon it by the former holder being credited as paid up. At any time before the sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board decides. Where for the purposes of its disposal, a forfeited share is to be transferred, the Board may authorise some person to execute a transfer instrument.

28 Liability to pay Calls after Forfeiture

Any person any of whose shares have been forfeited shall cease to be a member in respect of the forfeited shares and shall surrender the certificate for the forfeited shares to the Company for cancellation. Such person shall remain liable to pay to the Company all money which at the date of the forfeiture was then payable by him to the Company in respect of the shares with interest (if required) under Article 21.

29 Statutory Declaration of Forfeiture

A statutory declaration by a Director or the Secretary that a share has been duly forfeited or surrendered on a date stated in the declaration shall be conclusive evidence of the facts declared stated as against all persons claiming to be entitled to the share and acquiring it. The statutory declaration shall (subject to the execution of a transfer instrument where necessary) constitute a good title to the share and the person to whom the share is

disposed of shall not be bound to see to the application of the consideration (if any) and his title to the share shall not be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of such share

30 Disclosure of Interests

30 1 The Board may by notice in writing (a "**Disclosure Notice**") require any Member or other person appearing to be interested or appearing to have been interested in any shares in the Company to disclose to the Company in writing and within such reasonable period as is specified in the Disclosure Notice such information as the Board shall, pursuant to any provision of the Companies Acts, be entitled to require relating to interests in the shares in question and, in the event of such a failure to comply with a Disclosure Notice as is referred to in Article 30 3, the Board may, without prejudice to any other rights and remedies available to the Company in respect of such non-compliance, impose any or all of the sanctions set out in Article 30 4

30 2 The Board may cause a Disclosure Notice to be given pursuant to Article 30 1 at any time and more than one such notice may be given to the same Member or other person in respect of the same shares

30 3 Where a Member or other person on whom a Disclosure Notice has been served has not within the period specified in the Disclosure Notice (or such further period as the Board may in its discretion allow) supplied to the Company the information thereby required in respect of any shares (the "**Relevant Shares**") the Board may impose sanctions on the registered holder of the Relevant Shares (the "**Relevant Member**") in accordance with Article 30 4 provided that

(a) if the Relevant Shares represent not less than 0.25% in number of the issued shares of a class of shares in the capital of any class of the Company, a period of 14 days, and

(b) in any other case a period of 28 days, shall have elapsed from the date of the service or deemed service of the Disclosure Notice during which time the Member or other person shall have failed to supply such information and such failure shall have continued down to the date on which sanctions are imposed, and

(c) the Disclosure Notice contained a statement to the effect that in the event of such failure the Board would or might impose sanctions in accordance with Article 30 4, summarising or setting out the relevant details of that Article

30 4 The Board may impose the following sanctions

(a) in the case falling within Article 30 3(a) –

(i) the sanction that in respect of the Relevant Shares the Relevant Member shall have no right to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares or to exercise any other right in relation to any meeting of the company or any class of its shareholders, and/or

(ii) the sanction that in respect of the Relevant Shares the Relevant Member shall have no right to receive any dividend or other moneys payable until the sanctions have ceased to apply and in

circumstances where an option to elect to receive shares instead of cash in respect of any dividend shall be or has been given to members, any notice of election made under such option in respect of the Relevant Shares shall not be effective, and/or

- (iii) any shares held by such member in uncertificated form shall forthwith be converted into certificated form (and the Board shall be entitled to direct the Operator of any Relevant System applicable to those shares to effect that conversion immediately) and that Relevant Member shall not after that be entitled to convert all or any shares held by him into uncertificated form (except with the authority of the Board) unless
 - (A) the Relevant Member is not himself in default as regards supplying the information required, and
 - (B) the shares which the Relevant Member wishes to convert are part only of his holding and he has issued a certificate, in a form satisfactory to the Board, to the effect that after due and careful enquiry the member is satisfied that none of the shares he is proposing to convert into uncertificated form are default shares
- (iv) the sanction that the Board may decline to register any transfer of Relevant Shares other than
 - (A) a transfer made in respect of a dealing (not being a put-through) on a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or other recognised market on which securities of the same class as the Relevant Shares are regularly traded, or
 - (B) a transfer made in respect of an acceptance of a takeover offer which is subject to and complies with the City Code on Takeovers and Mergers, or
 - (C) a transfer made pursuant to the provisions of the Companies Acts conferring powers of compulsory purchase in respect of takeover offers, and

(b) in a case falling within Article 30 3(b) the sanction referred to in Article 30 4(a)(i)

30 5 The Board shall not have an obligation to impose any sanctions pursuant to this Article and any imposition of sanctions may, subject to the provisions of this Article, be made on such terms and subject to such conditions as the Board may think fit. The Board's power to impose sanctions shall not be prejudiced at any time by indulgence granted to any person or by any delay in serving a Disclosure Notice or in determining to impose sanctions. The Board may at any time and from time to time exclude any Relevant Shares from the sanctions or cancel or suspend or vary the sanctions imposed by it but so that the sanctions as so varied shall not include any sanction that could not have been imposed when such sanctions were first imposed by it.

30 6 Notice in writing of the imposition of any sanctions pursuant to this Article shall be given by the Company, to the Relevant Member at his registered address and, to any other person whose failure to comply with the Disclosure Notice was taken into account by the Board in determining to impose such sanctions,

at his last known address, but the non-receipt of such notice by any person entitled to it shall not invalidate the sanctions

- 30 7 Any sanctions imposed pursuant to this Article shall cease to apply to any Relevant Member
- (a) as soon as the Board is satisfied that the required information has been produced to the Company, or
 - (b) in the event of a disposal of the Relevant Shares by any such transfer as is referred to in Article 30 4(a)(iii)
- 30 8 Where the Company has withheld payment of any dividend or other moneys payable in respect of any Relevant Shares pursuant to sanctions imposed in accordance with Article 30 4(a)(ii), such dividend or other moneys payable shall be paid to the person who would but for such sanctions have been entitled to it or as he may direct as soon as reasonably practicable after the sanctions shall have ceased to apply, but the Company shall not be obliged to account for any interest on it whether or not such interest has been earned
- 30 9 Where any securities are issued pursuant to any rights issue or capitalisation issue in right of any Relevant Shares, the Board may determine that the Relevant Member is subject to sanctions in respect of such securities as if those securities were Relevant Shares. If the Board so determines it will give notice in writing of the determination to the Relevant Member
- 30 10 For the purpose of this Article 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 pursuant to the statutory notice which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant notification or information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares
- 30 11 In the event of any conflict between the provisions of this Article and any other Article the provisions of this Article shall prevail
- 30 12 This Article is in addition to, and shall not in any way prejudice or affect, the statutory rights of the Company arising from any failure by any person to give any information required by a Disclosure Notice within the time specified in it

TRANSFER OF SHARES

31 Form of Transfer Instrument

Subject to the provision of these Articles, any member may transfer all or any of his certificated shares by a transfer instrument or transfer in any usual form and may transfer all or any of his uncertificated shares by a properly authenticated dematerialised instruction or in either case any other form which the Board may approve

32 Execution of Transfer Instrument

The transfer instrument or dematerialised instruction shall be executed by or on behalf of the transferor and in the case of a partly paid-up share by or on behalf of the transferee

33 Power to Decline Registration of Transfers

33 1 The Board may in its absolute discretion decline to register any transfer of any shares which are not fully paid-up and in respect of which a call has been made

33 2 The Board may also decline to register any transfer of any shares unless

(a) the duly stamped transfer instrument or dematerialised instruction is lodged at the Office or such other place as the Board may appoint accompanied by

- (i) the certificate for the share to which it relates (except in the case of a transfer by a financial institution as defined in section 185, 1985 Act or a transfer of uncertificated shares),
- (ii) such other evidence as the Board may reasonably require to show the right of the transferor to execute the transfer instrument or dematerialised instruction, and
- (iii) if the transfer instrument or dematerialised instruction is executed by some other person on the transferor's behalf, the authority of that person to do so

33 3 the transfer instrument or dematerialised instruction is in respect of only one class of share, and

33 3 in the case of a transfer to joint holders, they do not exceed four in number

34 Notice of Non-Registration

If the Board declines to register a transfer, it shall within two months after the date on which the transfer instrument was lodged with the Company send notice of the refusal to the transferee, together with its reasons for the refusal

35 Register may be closed

The registration of any transfers of shares may be suspended and the Register closed at such times and for such periods as the Board may from time to time determine, not exceeding 30 business days in any year

36 No fee for Registration

Subject to Articles 12 9 and 13, no fee shall be charged in respect of the registration of any transfer or other document relating to or affecting the title to any share or for making any other entry in the Register

37 Transfer instruments to be retained by the Company

All transfer instruments and dematerialised instructions which are registered shall be retained by the Company but any transfer instrument which the Board declines to register shall (except in any case of suspected fraud) be returned to the person lodging it at the time that notice of refusal is given

TRANSMISSION OF SHARES

38 Persons recognised on death of a Member

If a member dies, the survivor (where he was a joint holder) or his personal representatives (where he was a sole holder or the only survivor of joint holders), shall be the only persons recognised by the Company as having any title to his shares, but nothing in these Articles shall release the estate of a deceased member from any liability in respect of any share held by him whether solely or jointly with other persons

39 Transmissions

Upon production of such evidence as may from time to time be required by the Board, a person becoming entitled to a share by reason of the death or bankruptcy of a member may, subject to these Articles, elect either to be registered as a member in respect of such share or to have some person nominated by him registered as the holder. If the person elects to become the holder, he shall give notice in writing to the Company to that effect. If the person elects to have another person registered he shall execute a transfer instrument of the share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or transfer instrument as if the death or bankruptcy of the member had not occurred and the notice or transfer instrument were a transfer instrument executed by the member

40 Limit of right before Registration

A person becoming entitled to a share by reason of the death or bankruptcy of a member (shall subject to the other provisions of these Articles) be entitled to, and may give a good discharge for, 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 unless and until he is registered as a holder of the share be entitled in respect of it to receive notice of, or to exercise any right conferred by membership in relation to, meetings of the Company. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer such share and if such notice is not complied with within 60 clear days the Board may withhold payment of all dividends and other money payable in respect of such share until the notice has been complied with

ALTERATION OF SHARE CAPITAL

41 Increase, Consolidation, Division, Sub-division, and Cancellation

41 1 Subject to the Companies Acts, the Company may by ordinary resolution

- (a) increase its share capital by new shares of such amount as the resolution prescribes,
- (b) consolidate any of its share capital into shares of larger amount than its existing shares,
- (c) sub-divide any of its shares into shares of smaller amount. The resolution may determine that as between the shares resulting from the sub-division,

any of them may have any preference or advantage or are subject to any restrictions as compared with any of the others,

- (d) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its nominal share capital by the amount of the shares so cancelled, and
- (e) wherever as a result of a consolidation or sub-division of shares, any members would become entitled to fractions of a share, the Board may sell the shares representing the fractions on behalf of those members for the best price reasonably obtainable to any person (including, subject to the Companies Acts, the Company) and distribute the net proceeds of sale (subject to retention by the Company of small amounts the cost of distribution of which would in the reasonable opinion of the Board be disproportionate to the amounts involved) in due proportion among those members and the Board may authorise some person to execute a transfer instrument to or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings relating to the sale

- 41 2 Subject to the Companies Acts, the Company may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any way

MODIFICATION OF RIGHTS

42 Rights of Various Classes may be altered

- 42 1 Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of any shares of that class) be varied or abrogated (whether or not the Company is being wound up) either with the consent in writing of the holders of three-quarters in nominal amount of the issued shares of the affected class, or with the sanction of a special resolution passed at a separate general meeting of such holders, but not otherwise
- 42 2 All the provisions of these Articles relating to general meetings shall apply where applicable to every such separate general meeting, except that
- (a) the necessary quorum at any such meeting (other than an adjourned meeting) shall be two persons present holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (excluding any shares held as treasury shares) and at an adjourned meeting, one person present holding shares of the class in question or his proxy shall be quorum, provided that where a person is present by proxy or proxies, he is treated as holding only the shares in respect of those proxies which are authorised to exercise voting rights,
 - (b) any holder of shares of the class in question present in person or by proxy may demand a poll, and
 - (c) every such holder shall, on a poll, have one vote for every share of the class held by him
- 42 3 Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares in the capital of the Company shall

be deemed to be varied or abrogated by the allotment of further shares ranking in priority to it for payment of a dividend or repayment of capital, but shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects with or subsequent to those already issued (save as to the date from which such new shares shall rank for dividend)

- 42.4 This Article shall apply to the proposed variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class treated differently formed a separate class whose separate rights are to be varied

GENERAL MEETINGS

43 Annual General Meeting

The Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice convening it. The Annual General Meeting shall be held at such time and place as the Board may appoint

44 Convening General Meetings

The Board may call a general meeting whenever it thinks fit. The Board must call a general meeting if the members and the 2006 Act require them to do so

NOTICE OF GENERAL MEETINGS

45 Notice of Meeting

- 45.1 An Annual General Meeting must be called by at least 21 clear days' notice. All other general meetings must be called by at least 14 clear days' notice. In each case, this is subject to any longer notice period required by the Companies Acts

- 45.2 A general meeting shall, even if it is called by shorter notice than that specified in Article 45.1, be deemed to have been duly called if it is so agreed by the members who are prescribed for that purpose by the Companies Acts

- 45.3 Notice of general meetings must be sent or supplied in accordance with Articles 153 to 163

46 Contents of Notice

Every notice of Meeting of the Company shall

- 46.1 specify the time, date and place of the meeting,

- 46.2 with reasonable prominence state that a member may appoint

(a) a proxy to exercise all or any of the member's rights to attend, speak and vote at the meeting, and

(b) more than one proxy in relation to the meeting of each proxy is appointed to exercise the rights attached to a different share or shares held by the member

46 3 in the case of an Annual General Meeting, specify the meeting as such

46 4 in the case of any general meeting at which business other than routine business is to be transacted, specify the general nature of such business

46 5 if the meeting is called to consider a special resolution, include the text of the resolution and the intention to propose the resolution as a special resolution

46 6 routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say

(a) declaring dividends,

(b) considering and/or adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts,

(c) appointing Auditors,

(d) appointing or reappointing Directors to fill vacancies arising at the meeting on retirement or under Article 94 or otherwise,

(e) settling the remuneration of the Auditors or determining the manner in which the remuneration is to be settled, and

(f) considering and/or approving any report on the remuneration of Directors

47 Persons to whom Notice given

Subject to these Articles and to any restriction imposed on any shares or any member, a notice of general meeting shall be given to all members, all Directors and the Auditors

48 Statement as to proxies in Notice

In every notice calling a general meeting, a statement shall appear with reasonable prominence, that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member. If the place where proxies are to be deposited is somewhere other than the office, the statement shall state where a proxy form is to be deposited

49 Conflicting Proxies

In the event that conflicting proxies are received in respect of the same shares, the Company shall be entitled to rely upon that deposited later in time to the exclusion of the earlier one

50 Omission to give Notice of General Meeting or Resolution

If the Company gives notice of a general meeting or a resolution intended to be moved at a general meeting, an accidental failure to give notice to one or more persons is to be disregarded for the purpose of determining whether notice of the meeting or resolution is properly given but this is subject to the exceptions prescribed by the 2006 Act. The non-receipt of a notice of a general meeting or a resolution intended to be moved at a general meeting is

to be disregarded for the purpose of determining whether notice of the meeting or resolution is properly given

PROCEEDINGS AT GENERAL MEETINGS

51 Quorum

51 1 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting. Five qualifying persons at a meeting are a quorum unless two or more of them are qualifying persons only because

(a) they are each authorised to act as the representative of a corporation in relation to the meeting, and they are representatives of the same corporation, or

(b) they are each appointed as proxy of a member in relation to the meeting, and they are proxies of the same member

51 2 A "**qualifying person**" is an individual who is a member, a person authorised to act as the representative of a member (being a corporation) in relation to the meeting or a person appointed as proxy of a member in relation to the meeting

52 Lack of Quorum

If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine) after the time appointed for the meeting, a quorum is not present, the meeting is dissolved, if the members or any of them required the meeting to be called or any of them called the meeting and in any other case it stands adjourned to such time and place (between 14 and 28 days later) as the chairman of the meeting may decide. At such adjourned meeting, two qualifying persons present shall be a quorum

53 Notice of Meeting Adjourned for lack of Quorum

The Company shall give not less than seven clear days' notice in writing of any meeting adjourned through lack of a quorum and the notice shall state that two qualifying persons present shall be a quorum

54 Chairman

The chairman (if any) of the Board or in his absence a deputy chairman (if any) shall preside as chairman at every general meeting. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor any deputy chairman is present within fifteen minutes after the time appointed for the meeting, or if no such person is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present, he shall, if willing, preside as chairman. If no Director is present or if all the Directors present decline to take the chair, the persons present in person and entitled to vote shall elect one of their number to be chairman of the meeting by a resolution passed at the meeting

55 Adjournment with Consent of Meeting

The chairman of a general meeting at which a quorum is present may, with the consent of the meeting (and shall, if so directed by the meeting) adjourn the meeting from time to time (or for an indefinite period) and from place to place. No business shall be transacted at any adjourned meeting other than business left unfinished from the meeting from which the adjournment took place. Where a meeting is adjourned for an indefinite period, the time and place for the adjourned meeting shall be fixed by the Board. Where a meeting is adjourned for 30 days or more, or for an indefinite period, seven clear days' notice in writing of the adjourned meeting shall be given in the like manner as in the case of an original meeting. Save as provided in these Articles, it shall not be necessary to give any notice of any adjourned meeting or of the business to be transacted at an adjourned meeting.

56 Voting

56 1 At any general meeting, every resolution put to the vote shall be decided in the first instance by a show of hands unless (on or before the declaration of the result of the show of hands) a poll is properly demanded. Subject to the provisions of the 2006 Act, a poll may be demanded

- (a) by the chairman of the meeting, or
- (b) in writing by at least five members present in person or by proxy (or being a duly authorised representative of a corporation which is a member) and entitled to vote on the resolution, or
- (c) in writing by one or more members present in person or by proxy (or being a duly authorised representative of a corporation which is a member) representing not less than 10% 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 held as treasury shares), or
- (d) in writing by one or more members present in person or by proxy (or being a duly authorised representative of a corporation which is a member) holding shares conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right (excluding any shares conferring a right to vote on the resolution which are held as treasury shares)

56 2 The demand for poll may be withdrawn at any time before the conclusion of the meeting

56 3 Unless a poll is demanded, a declaration by the chairman that a resolution has been carried, or not carried, or carried unanimously, or by a particular majority and an entry to that effect in the minute book 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

57 Conduct of Poll

If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting may direct. The chairman may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

58 Timing of Poll

A poll demanded on the election of the chairman of a meeting or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken at such time and place as the chairman of the meeting directs, but in any case not more than 28 days after the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with pending the completion of the poll.

59 Casting Vote

In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a further or casting vote in addition to the votes to which he may be entitled as a member or as a representative or proxy of a member.

60 Directors' Attendances at General Meetings

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

VOTES OF MEMBERS

61 Votes

61.1 Subject to any other provision of these Articles and without prejudice to any special rights, privileges or restrictions as to voting attached to any shares for the time being forming part of the capital of the Company

(a) on a show of hands

(i) each member (being an individual) present in person or by one or more proxies has in total one vote, and

(ii) each member (being a corporation) present by either one or more proxies, or one or more duly authorised representatives, or both, has in total one vote, and

(b) on a poll each member present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each share of which he is the holder

61.2 For the avoidance of doubt, the Company itself is prohibited (to the extent specified by the Companies Acts) from exercising any rights to attend or vote at meetings in respect of any shares held by it as treasury shares. For the purpose of Article 61.1, on a show of hands a proxy or representative has only one vote even if the proxy or representative is also a member, or is a proxy or representative for more than one member, or both.

61.3 In the case of joint holders of a share, only the vote of the senior holder who votes (whether in person or by proxy) may be counted by the Company. For this purpose, the senior holder is determined by the order in which the names of the joint holders stand in the Register in respect of the share.

61 4 On a show of hands or on a poll, votes may be given either personally or by proxy or (in the case of a corporate member) by a duly authorised representative and on a poll a person 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

62 **Mental Disorder**

A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote (whether on a show of hands or on a poll) by his receiver, trustee or other authorised person appointed by such a court. Any such receiver trustee or other person may vote by proxy on a poll. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Office (or at such other place as is specified in accordance with these Articles for the deposit of forms of proxy) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised. In default the right to vote shall not be exercisable.

63 **Voting and Meetings where Calls are Unpaid**

Unless the Board determines otherwise no member shall be entitled to vote at any general meeting or any separate meeting of the holders of any class of shares in the Company or to exercise any other right conferred by membership in relation to general meetings of the Company or meetings of the holders of any class of shares in the Company if any call or other sums then due from him in respect of shares in the Company have not been paid on those shares.

64 **Section 794 of the 2006 Act**

Nothing in these Articles shall prejudice or affect the right of the Company to apply to the court for an order under section 794 of the 2006 Act and in connection with such an application or otherwise to require information pursuant to a section 793 notice on shorter notice than the periods prescribed by Article 30.

65 **Objection to Votes**

- 65 1 If
- (a) any objection is raised as to the qualification of any voter at any general meeting, or
 - (b) any votes have been counted which should not have been counted or which might have been rejected, or
 - (c) any votes are not counted with ought to have been counted,

The objection or allegation shall not vitiate the decision on any resolution, unless the objection or allegation is raised or pointed out at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the alleged error occurs. Any objection or allegation made at such time shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the objection or allegation is justified and that the decision of the meeting may have been affected. In such case, the resolution shall immediately be put to the meeting again and a further vote taken. The decision of the chairman shall be final and conclusive.

66 Amendment to Resolution

If an amendment is proposed to any resolution then being considered, but is in good faith 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 proposed as a special resolution, no amendment to it (other than a mere clerical amendment to correct an obvious error) may be considered or voted upon.

67 Appointment of Proxy

67 1 A member may appoint

- (a) another person as his proxy to exercise all or any of his rights to attend, speak and vote at a meeting, and
- (b) more than one proxy in relation to a meeting if each proxy is appointed to exercise the rights attached to a different share or shares held by the member.

68 Forms of Proxy

Forms of proxy shall be in any usual form or in such other form as the Board may approve. Forms of proxy shall be sent by the Company to all persons entitled to notice of and to attend and vote at any general meeting and shall (unless the Board determines otherwise) provide for voting both for and against all resolutions to be proposed at that meeting, other than resolutions relating to the procedure of the meeting. The form of proxy shall be executed by or on behalf of the appointor and shall be deemed to confer authority to demand or concur in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given, in each case as the proxy thinks fit and unless the contrary is stated therein, the form of proxy shall be valid as well for any adjournment of the meeting as for the meeting to which it relates. A corporation may execute a form of proxy under the hand of a duly authorised officer.

69 Use of Uncertificated Proxy Instruction

69 1 Without limiting any other provision of these Articles, in relation to an uncertificated share the Directors may from time to time

- (a) permit appointments of proxy to be made by means of an Uncertificated Proxy Instruction,
- (b) where a proxy has been appointed by means of an Uncertificated proxy Instruction, permit the revocation of the appointment by means of any Uncertificated Proxy Instruction,
- (c) prescribe the method for determining the time at which any such Uncertificated Proxy Instruction is to be treated as received by the Company (or a participant in the Relevant System concerned on its behalf), and
- (d) 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 the that holder.

70 Meaning of "Uncertificated Proxy Instruction"

70 1 For the purposes of Article 69, "Uncertificated Proxy Instruction" means a communication in the form of

- (a) an instruction which is properly authenticated as determined by the Regulations,
- (b) any other instruction or notification, or
- (c) any supplemented or amended instruction or notification,

in each case sent by means of the Relevant System concerned and received by such participant in that system acting on behalf of the Company (and in such form and on such terms and conditions) as the Board may determine subject to the facilities and requirements of that system

71 Content of Proxy

Such proxy forms shall provide for at least three way voting on all resolutions to be proposed at that meeting other than resolutions relating to the procedure of the meeting and may either be in blank or may nominate in the alternative any one or more of the Directors or any other person

72 Deposit of Proxies

A form of proxy (and any power of attorney or other written authority under which it is signed or a notarially certified copy, or a copy certified in accordance with the Powers of Attorney Act 1971, or the Enduring Powers of Attorney Act 1986 of such power or written authority) shall be deposited at the Office (or at such other place as shall be specified in the notice of meeting, or form of proxy or other document accompanying them including an address specified or deemed to be specified for receipt by electronic means) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the form proposed to vote or, in the case of a poll taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for taking the poll. Where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting to the chairman or to the Secretary or to any Director. Unless so deposited, the form of proxy shall not be treated as valid. No form of proxy shall be valid after the expiration of 12 months from the date stated in it as the date of its execution. Unless the contrary is stated on it a form of proxy shall be valid for any adjournment of the meeting as well as for the meeting to which it relates. In calculating the periods mentioned in this Article 72 and Article 73, no account is to be taken of any part of a day that is not a working day, unless the Board decides otherwise in relation to a specific general meeting

73 Revocation of Proxy

The quorum of the meeting, a vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous revocation of the authority of the person voting or demanding a poll, unless notice of the revocation shall have been received by the Company at an address that is specified in Article 72 at least twelve hours before the commencement of the meeting or adjourned meeting at which the form of

proxy is to be used or, in the case of a poll taken on the same day as the meeting, or adjourned meeting the time appointed for taking the poll

74 Corporation acting by 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 at any separate general meeting of the holders of any class of shares. Such a corporation is for the purposes of these Articles deemed to be present in person at any meeting if a person or persons so authorised is or are present at it

POWERS OF THE BOARD

75 Management by the Board

Subject to the Companies Acts, the Memorandum, these Articles and to any direction given by the Company in general meeting by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company. No alteration of the Memorandum or of these Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board by any other Article

76 Local Boards

The Board may make such arrangements as it thinks fit for the management and transaction of the Company's affairs in the United Kingdom or elsewhere and may for that purpose appoint local boards, managers and agents and delegate to them any of the powers of the Board (other than the power to borrow and make calls) with power to sub-delegate

77 Appointment of Attorney

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

78 Delegation

The Board may delegate any of its powers to any committee consisting of one or more Directors. They may also delegate to any Managing Director or any Director holding executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Board may impose and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any

such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of the Board, so far as they are capable of applying. If any such committee determines to co-opt persons other than Directors on to such committee, the number of such co-opted persons shall always be less than one half of the total number of members of the committee and no resolution of the committee shall be effective, unless a majority of the members of the committee present at the meeting concerned are Directors.

BORROWING POWERS

79 Powers Exercisable by the Board

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

80 Restriction on Borrowing

The Board shall restrict the borrowing of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (but as regards subsidiaries, only in so far as by such exercise the Board can secure) that the aggregate amount for the time being outstanding of all borrowing by the Group (excluding money owed by any member of the Group to any other member of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to two and a half times the adjusted total capital and reserves of the Group as shown in the Consolidated Balance Sheet included in the latest audited financial statements of the Group.

81 Meaning of "Borrowing"

81.1 For the purposes of these Articles, "borrowing" shall be deemed to include

- (a) the principal amount outstanding in respect of any debenture notwithstanding that the same may have been issued in whole or in part for a consideration other than cash
- (b) the principal amount outstanding in respect of any debenture of any member of the Group which is not beneficially owned within the Group,
- (c) the principal amount outstanding under any bill accepted by any member of the Group and not beneficially owned within the Group or under any acceptance credit opened on behalf of or in favour of any member of the Group other than by another member of the Group (not being an amount outstanding in respect of the purchase of goods in the ordinary course of trading),
- (d) the nominal amount of the issued and paid-up preference share capital of any subsidiary undertaking of the Company not beneficially owned within the Group,
- (e) the nominal amount of any issued share capital and the principal amount of any monies borrowed (not being issued share capital or monies borrowed beneficially owned within the Group) the redemption or

repayment whereof is guaranteed or secured by the Company or by any of its subsidiary undertakings,

- (f) any fixed or minimum premium payable on final redemption or repayment of any debentures or other monies borrowed or share capital in addition to the principal or nominal amount thereof,
- (g) monies borrowed for the purpose of and actually applied within six months in repaying the whole or any part of other monies borrowed by the Group and for the time being outstanding shall not pending their application for such purpose be deemed to be monies borrowed,
- (h) monies borrowed from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under the contract which is guaranteed or insured by the Export Credit Guarantees Department or any other institution or body carrying on a similar business shall be deemed not to be monies borrowed

81 2 For the purposes of this Article

- (a) the adjusted total of capital and reserves means
 - (i) the nominal amount of the issued and paid up or credited as paid up share capital for the time being of the Company, and
 - (ii) the amount standing to the credit of the consolidated reserves of the Group including share premium account and capital redemption reserve fund (if any) and the amount standing to the credit of the consolidate profit and loss account, all as shown in a consolidation of the most recent audited balance sheets of the Company and its subsidiary undertakings available at the date the calculation falls to be made but after
 - (iii) adjusting as may be necessary in respect of any variation in such paid up share capital and reserves since the dates of such balance sheets but so far as profit and loss account is concerned only to take account of (I) any distribution (otherwise than within the Group) paid, recommended or declared and not (A) already provided for as a liability in such balance sheets or (B) being a normal preference or interim dividend payable out of profits since earned and (II) any provision made other than out of profits since earned,
 - (iv) excluding any sum set aside for taxation (other than deferred taxation),
 - (v) excluding a sum equal to the book value of goodwill other than goodwill arising upon such consolidation (the amount of which so far as previously written off to be written back), and
 - (vi) deducting if not already deducted any debit balance on profit and loss account
- (b) share capital allotted shall be treated as issued and any share capital already called up or payable at any future date within the following twelve months shall be treated as already paid up and if the Company proposes to issue any shares for cash and the issue of such shares has been underwritten then such shares shall be deemed to have been issued and the subscription monies (including any premium) payable in respect thereof within the following twelve months shall be deemed to have been paid up,
- (c) in calculating the adjusted total of capital and reserves any adjustments may be made that the Auditors may certify in their opinion to be appropriate, including in particular adjustments to provide for the carrying

into effect of any transaction for the purposes of or in connection with which it requires to be calculated,

- (d) the certificate of the Auditors as to the amount of the adjusted total of capital and reserves at any time shall be conclusive and binding upon all concerned

82 Currency Conversion

When the aggregate amount of borrowing required to be taken into account for the purposes of these Articles on any particular day is being ascertained any money denominated or repayable (or repayable at the option of any person other than the Company) in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on that day in London or, if it would result in a lower sterling equivalent, at the rate of exchange prevailing in London six months before such day. For this purpose, the prevailing rate of exchange shall be taken as the middle market rate as at the close of business on the day in question or, if that is not a business day, on the last business day before the day in question.

83 Accounting Conventions

Subject to the Companies Acts, the Company may from time to time change the accounting conventions on which its audited balance sheet or audited consolidated balance sheet is prepared.

84 Auditors' Certificate

A certificate or report by the Auditors as to the amount of the issued share capital and sums standing to the credit of share premium account, or the amount of any borrowing, or to the effect that the limit imposed by these Articles has not been or will not be exceeded at any particular time shall be conclusive evidence of that amount or fact. For the purposes of their computation, the Auditors may at their discretion make such further or other adjustments (if any) as they think fit. Nevertheless, for the purposes of these Articles the Board may act in reliance on a bona fide estimate of the amount of the adjusted capital and reserves at any time and, if in consequence such limit is inadvertently exceeded, an amount of money borrowed equal to the excess may be disregarded until the expiration of 60 days after the day on which (by reason of a determination of the Auditors or otherwise) the Board becomes aware that such a situation has or may have arisen.

85 Lender not Concerned

Notwithstanding the foregoing, no lender or other person dealing with the Company shall be concerned to see or inquire whether the limit imposed by Article 80 is observed. No borrowing incurred or security given in excess of such limit shall be invalid or ineffectual, except in the case of express notice to the lender or the recipient of the security at the time when the borrowing was incurred or security given, that the limit had been or would as a consequence be exceeded.

NUMBER AND QUALIFICATION OF DIRECTORS

86 Number of Directors

Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall be not less than two in number and the maximum number of Directors shall be ten

87 No Share Qualification

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

88 Age Requirements

A person may not be appointed a Director of the Company unless he complies with the age requirements in the Companies Acts

89 Powers of Directors where Minimum Breached

If the number of Directors is reduced below the minimum number fixed in accordance with these Articles, the Directors for the time being may act for the purpose of filling up vacancies in their number or of calling a general meeting of the Company, but not for any other purpose

90 Directors' Eligibility for Election

No person other than a Director retiring at a general meeting (whether by rotation or otherwise) shall be appointed or reappointed a Director at any general meeting unless

90 1 he is recommended by the Board, or

90 2 not less than six, nor more than 35 clear days before the day appointed for the meeting, notice executed by a minimum of ten members qualified to vote at the meeting (not including the person to be proposed) has been given to the Secretary of the intention to propose that person for appointment or reappointment, together with notice executed by that person of his willingness to be appointed or reappointed

ELECTION, APPOINTMENT AND RETIREMENT BY ROTATION

91 Election at General Meetings

Subject to the provisions of Articles 86 to 90 inclusive, and without prejudice to the power of the Board under Articles 89 and 93, the Company may elect a person who is willing to act to be a Director by ordinary resolution, either to fill a vacancy or as an addition to the existing Board and may also determine the order in which any additional Directors are to retire by rotation, but so that the total number of Directors shall not at any time exceed any maximum number (if any) determined in accordance with these Articles

92 Combined Resolution to Elect

A resolution for the election of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote

being given against it Any resolution moved in contravention of this Article shall be void

93 Board's Powers of Appointment

The Board shall have power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number, if any, fixed from time to time Any director so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors to retire by rotation at such meeting under Articles 94 to 97 inclusive Unless so re-elected, he shall vacate office at the conclusion of such meeting

94 Retirement by Rotation

At every Annual General Meeting, one-third of the Directors who are subject to retirement by rotation (or, if their number is not a multiple of three then the number nearest to but not exceeding one-third) shall retire from office, but if there is only one Director who is subject to retirement by rotation, he shall retire each year and if there are only two such Directors, one shall retire each year

95 Selection of Retiring Directors

Subject to the Companies Acts and the other provisions of these Articles, the Directors to retire by rotation on each occasion shall be those who have been longest in office since their last appointment or reappointment As between persons who became or were last reappointed Directors on the same day, those to retire shall (unless they agree otherwise among themselves) be determined by lot The Directors to retire (both as to number and as to identity) shall be determined by the composition of the Board at the date of the notice convening the Annual General Meeting and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after the date of such notice, but before the close of the meeting

96 Retiring Director Eligible for Re-election

A Director who retires at an Annual General Meeting (whether by rotation or otherwise) may, if willing to continue to act, be reappointed If he is not reappointed or deemed to be reappointed he shall retain office until the meeting appoints someone in his place, or if it does not do so until the end of the meeting

97 Deemed Reappointment of Retiring Director

Subject to the provisions of these Articles, the Company may, at any meeting at which a Director retires by rotation, fill the vacated office and in default, the retiring Director shall, if willing to continue to act, be deemed to have been reappointed unless at such meeting it is expressly resolved not to fill the vacated office or unless a resolution for the reappointment of that Director has been put to the meeting and lost

RESIGNATION AND REMOVAL OF DIRECTORS

98 Resignation of Director

98 1 A Director (not being a chief executive managing or executive Director) may resign his office by notice in writing submitted to the Board

98 2 A chief executive, managing or executive Director may tender his resignation at a meeting of the Board, but only if the other Directors resolve to accept it, shall such resignation be effective

99 Removal of Director

The Company may by ordinary resolution of which special notice has been given in accordance with section 312 of the 2006 Act, remove any Director before the expiration of his period of office, notwithstanding anything to the contrary in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim which such Director may have for damages for breach of any agreement between him and the Company

DISQUALIFICATION OF DIRECTORS

100 The office of a Director shall be vacated if the Director

100 1 has a bankruptcy order made against him or makes any arrangement or composition with his creditors generally,

100 2 is or may be suffering from mental disorder and either

- (a) is admitted to hospital pursuant to an application for admission for treatment under the Mental Health Act 1983 or the Mental Health (Care and Treatment) (Scotland) Act 2003, or
- (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) for the appointment of a receiver, trustee or other person to exercise powers with respect to his property or affairs, or
- (c) is absent from meetings of the Board (whether or not his alternate attends) for six consecutive months without permission of the Board and the Board resolves that his office be vacated, or
- (d) by virtue of any provision of the Companies Acts is or becomes prohibited by law from being a Director, or
- (e) is served with written notice signed by all the other Directors removing him from office

REMUNERATION OF DIRECTORS

101 Fees and Expenses

101 1 The Directors of the Company shall be paid such remuneration (by way of fee) for their services as may be determined by the Remuneration Committee. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses of travelling to and from Board meetings, committee meetings or

general meetings or otherwise incurred while engaged on the business of the company

101 2 The Directors (other than those holding executive office in the Company) shall be entitled to remuneration for their services as Directors in such amount as the Directors may determine not exceeding in aggregate £250,000 per annum (or such higher amount as may from time to time be determined by the Company by ordinary resolution) and such remuneration shall be apportioned amongst them as Directors may determine

102 **Remuneration for Additional Services**

Any Director who at the request of the Board performs special services or goes or resides abroad for any purpose of the Company may be paid such extra remuneration by way of salary, commission or otherwise as the Board may decide

CHIEF EXECUTIVE, MANAGING AND OTHER EXECUTIVE DIRECTORS

103 **Appointment of Executive Directors**

103 1 The Board may from time to time

(a) appoint one or more of its body to the office of Chief Executive, Managing Director, joint Managing Director or to any other office (except that of Auditor) or employment in the Company for such period (subject to the Companies Acts and on such terms as it thinks fit and may revoke such appointment (but so that such revocation shall be without prejudice to any rights or claims which the person whose appointment is revoked may have against the Company by reason of such revocation), and

(b) permit any person elected or appointed to be a Director to continue in any other office or employment held by the person before he was so elected or appointed

103 2 A Director (other than a Chief Executive, Managing Director or joint Managing Director) holding any other executive office or employment with the Group is referred to in these Articles as "an Executive Director"

104 **Retirement by Rotation**

104 1 A Director holding the office of Chief Executive, Managing Director or joint Managing Director shall not be subject to retirement by rotation or be taken into account in deciding the number of Directors to retire by rotation on any particular occasion, but shall (subject to Article 98 and the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors. If he ceases for any reason to be a Director, he shall also cease to hold such executive position (but without prejudice to any rights or claims which he may have against the Company by reason of such cessation)

104 2 A Chief Executive, Managing Director or joint Managing Director shall cease to be exempt from retirement by rotation, but shall not cease to be a Director, upon his ceasing from any cause to hold his office or employment

105 Remuneration

The remuneration of any Chief Executive, Managing Director, joint Managing Director or Executive Director (whether by way of salary, commission, participation in profits or otherwise) shall be decided by the Remuneration Committee and may be either in addition to or in lieu of any remuneration as a Director

106 Powers of Chief Executive, Managing and Executive Directors

The Board may entrust to and confer upon a Chief Executive, Managing Director, joint Managing Director or Executive Director any of the powers, authorities and discretion vested in or exercisable by it upon such terms and conditions and with such restrictions as it thinks fit and may from time to time revoke or vary all or any of them, but no person dealing in good faith and without notice of the revocation or variation shall be affected by it

ASSOCIATED AND OTHER DIRECTORS

- 107 The Board may from time to time appoint any person to any post with such descriptive title including that of Director (whether as associate, executive, group, divisional, departmental, deputy, assistant, local or advisory director or otherwise) as the Board may determine and may define, limit, vary and restrict the powers, authorities and discretion of persons so appointed and may fix and determine their remuneration and duties Subject to any contract between him and the Company the Board may remove any person so appointed from such post A person so appointed shall not be a Director of the Company for any of the purposes of these Articles or of the Companies Acts and accordingly shall not be a member of the Board or of any committee of the Board (except as a co-opted member) nor shall he be entitled to be present at any meeting of the Board or of any committee except at the request of the Board or of such committee and if present at such request, he shall not be entitled to vote (except as a co-opted member of a committee)

DIRECTORS' GRATUITIES AND PENSIONS

- 108 The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise for any Director who has held, but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary and for any member of his family (including a spouse and former spouse) or any person who is or was dependent on him and may (both before and after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit

ALTERNATE DIRECTORS

- 109 Appointment and Removal**

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

110 Rights of Alternate Director

An alternate Director shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of the Board of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present and generally to perform all the functions of his appointor as a Director in his absence, but shall not be entitled to receive any remuneration from the Company for his services as an alternate Director. Notice of a meeting of the Board or a committee of the Board to an alternate Director who is absent from the United Kingdom may be validly given by facsimile transmission or electronic mail

111 Appointor no longer a Director

An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director, but if a Director retires by rotation or otherwise vacates office and is elected or deemed to have been elected at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his election

112 Mode of Appointment and Removal

Any appointment or removal of any alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Board. Any notice from a Director to the Company pursuant to this Article may be sent by facsimile or, at the Company's option, by any other electronic means to an address provided for that purpose by the Company or by post or by hand to the office or to a meeting of the Directors

113 Responsibility of Alternate Director

Save as provided otherwise in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him

PROCEEDINGS OF THE BOARD

114 Convening of Meetings, Quorum and Voting

The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any such meeting shall be determined by a majority of votes. In case of any equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, call a meeting of the Board. Notice of a meeting of the Board to any Director absent from the United Kingdom may be validly served by facsimile transmission or electronic means, unless he has previously notified the Secretary in writing of an address in the

United Kingdom to which such notices should be sent in that event, in which case such notice shall be given to that address

115 Quorum

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed at any other number, shall be two. A Director or other person who is present at a meeting of the Board in more than one capacity (that is to say as both Director and an alternate Director or as an alternate for more than one Director) shall not be counted as two or more for quorum purposes, unless at least one other Director or alternate Director is also present.

116 Chairman and Deputy Chairman

The Board may appoint a chairman and, if it thinks fit, a deputy chairman of its meetings and determine the period for which he is to hold office. If no chairman or deputy chairman is appointed or, if neither is present within five minutes after the time fixed for holding any meeting, the Directors present may choose one of their number to act as chairman of such meeting.

117 Directors' Written Resolutions

A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board (not being less than the number of Directors required to form a quorum of the Board) or by all the members of a committee for the time being, shall be as valid and effective as a resolution passed at a meeting of the Board or committee which was duly convened and held on the date specified on the written resolution or in the absence of which date the date upon which the last Director signs the written resolution. A resolution signed by an alternate Director need not be signed by his appointor. The resolution may consist of one document or several documents in like form, each signed by one or more Directors.

118 Telephone and other remote Board Meetings

Any Director (including an alternate Director) may participate in a meeting of the Directors or a committee of the Directors of which he is a member by means of a conference telephone, video link or similar communications equipment by which all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Companies Acts, he shall be entitled to vote and be counted in a 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 then is.

119 Defects in appointment

All acts done by any meeting of the Board or of a committee or sub-committee of the Board or by any person acting as a Director or by an alternate Director shall, notwithstanding that it is discovered later that there was some defect in the appointment or continuance in office of any Director, alternate Director or person so acting, or that they or any of them were disqualified or had vacated office or were not entitled to vote, 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 an alternate Director and had been entitled to vote

DIRECTORS' INTERESTS

120 Board power to authorise Conflicts of Interest

120 1 The Board may, in accordance with these Articles, authorise a matter proposed to it which would, if not authorised, involve a breach by a Director of his duty under s175 of the 2006 Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests

120 2 A matter referred to in Article 120 1 is proposed to the Board by its being submitted

- (a) in writing for consideration at a meeting of the Board or for the authorisation of the Board by resolution in writing, and
- (b) in accordance with the Board's normal procedures or in such other manner as the Board may approve

120 3 A reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties

120 4 An authorisation referred to in Article 120 1 is effective only if

- (a) it is given in accordance with the requirements of the 2006 Act,
- (b) in the case of an authorisation given at a meeting of the Board
 - (I) any requirement as to quorum at the meeting at which the matter is considered is met without counting the Director in question or any other Director who has a direct or indirect interest in the matter being authorised (each such other Director being an "**Other Interested Director**"), and
 - (II) the matter has been agreed to without the Director in question or any Other Interested Director voting or would have been agreed to if their votes had not been counted, and
- (c) in the case of an authorisation given by resolution in writing
 - (I) the resolution is signed in accordance with Article 117 by all the Directors, and
 - (II) the number of Directors that sign the resolution (disregarding the Director in question and any Other Interested Director) is not less than the number required to form a quorum
- (d) The Board may
 - (I) authorise a matter pursuant to Article 120 1 on such terms and for such duration, or impose such limits or conditions on it, as it may decide, and
 - (II) vary the terms or duration of such an authorisation (including any limits or conditions imposed on it) or revoke it
- (e) Any terms, limits or conditions imposed by the Board in respect of its authorisation of a Director's conflict of interest or possible conflict of interest, including (without limitation) an authorisation given pursuant to Article 120 1, may provide (without limitation) that

- (I) if the relevant Director has (other than through his position as Director) information in relation to the relevant matter in respect of which he owes a duty of confidentiality to another person, he is not obliged to disclose that information to the Company or to use or apply it in performing his duties as a Director,
 - (II) the Director is to be excluded from discussions in relation to the relevant matter whether at a meeting of the Board or any committee or sub-committee of the Board or otherwise,
 - (III) the Director is not to be given any documents or other information in relation to the relevant matter, and
 - (IV) the Director may or may not vote (or may or may not be counted in the quorum) at a meeting of the Board or any committee or sub-committee of the Board in relation to any resolution relating to the relevant matter
- (f) A Director does not infringe any duty he owes to the Company by virtue of ss171 to 177 of the 2006 Act if he acts in accordance with such terms, limits and conditions (if any) as the Board imposes in respect of its authorisation of the Director's conflict of interest or possible conflict of interest, including (without limitation) an authorisation given pursuant to Article 120 1

121 Directors permitted to retain benefits

- 121 1 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration or other benefit which he derives from or in connection with a relationship involving a conflict of interest or possible conflict of interest which has been authorised by the Board, including (without limitation) pursuant to Article 120 1, or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation)
- 121 2 If he has disclosed to the Board the nature and extent of his interest to the extent required by the 2006 Act, a Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration or other benefit which he derives from or in connection with
- (a) being a party to, or otherwise interested in, any transaction or arrangement with
 - (I) the Company or in which the Company is interested, or
 - (II) a body corporate promoted by the Company or in which the Company is otherwise interested
 - (b) acting (otherwise than as auditor) alone or through his organisation in a professional capacity for the Company (and he or that organisation is entitled to remuneration for professional services as if he were not a Director), or
 - (c) being a Director or other office of, or employed by, or otherwise interested in, a body corporate promoted by the Company or in which the Company is otherwise interested
- 121 3 A Director's receipt of any remuneration or other benefit referred to in Article 121 1 or 121 2 does not constitute an infringement of his duty under s176 of the 2006 Act

121 4 A transaction or arrangement referred to in Article 121 1 or 121 2 is not liable to be avoided on the ground of any remuneration, benefit or interest referred to in that Article

122 Prohibition on Voting for Directors with Interests

122 1 Except as provided by Article 122 3 or by the terms of any authorisation given by the Board, including (without limitation) pursuant to Article 120 1, or by the Company in general meeting, a Director must not vote at a meeting of the Board or any committee or sub-committee of the Board in respect of any contract, transaction, arrangement or proposal in which he has an interest (other than an interest in shares, debentures or other securities of or otherwise in or through the Company) which is to his knowledge a material interest

122 2 A Director must not be counted in the quorum at a meeting of the Board or any committee or sub-committee of the Board in relation to any resolution on which he is not entitled to vote

122 3 A Director may (in the absence of some material interest other than those indicated in the following paragraphs 122 3(a) to 122 3(h)) vote on any resolution concerning any of the following matters

- (a) the giving of a guarantee, security or indemnity in respect of money lent, or obligations incurred, by him or by another person at the request of, or for the benefit of, the Company or a subsidiary,
- (b) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or a subsidiary for which the Director has assumed responsibility (wholly or partly) under a guarantee or indemnity or by the giving of security,
- (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or a subsidiary for subscription or purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting of the offer,
- (d) any proposal concerning another company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise, if he (and persons connected with him) does not to his knowledge hold an interest in shares (as that term is used in ss820 to 825 of the 2006 Act) representing 1% or more of the issued shares of any class of the equity share capital of that company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (that interest is deemed for the purposes of this Article to be a material interest),
- (e) any proposal concerning the adoption, modification or operation of a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or an employees' share scheme under which he may benefit and which relates both to employees and Directors and does not accord to the Director any privilege or benefit not generally accorded to the employees and Directors to whom the scheme relates,
- (f) any proposal under which he may benefit concerning the granting of an indemnity to a Director or other officer of the Company pursuant to Article 172,
- (g) any proposal under which he may benefit concerning the purchase, funding or maintenance of insurance for any Director or other officer of the Company, and

- (h) any proposal under which he may benefit concerning the provision to a Director of funds to meet expenditure incurred or to be incurred by the Director in defending proceedings or in connection with any application under any of the provisions mentioned in s234(6) of the 2006 Act or otherwise enabling the Director to avoid incurring that expenditure

122 4 For the purposes of Articles 120 to 122

- (a) an interest of a person who is, for any purpose of the 2006 Act, "connected with" (within the meaning of section 252 of the 2006 Act) a Director is to be treated as an interest of the Director, and
- (b) in relation to an alternate Director, an interest of his appointor is to be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise

123 Directors Voting on Appointments

If it is proposed to appoint two or more Directors to offices or employments with the Company or with a company in which the Company is interested, or to fix or vary the terms of those appointments, the proposals may be divided and considered in relation to each Director separately and in such case each of those Directors (if not debarred from voting under Article 122 3(d)) may vote (and be counted in the quorum) in respect of each resolution except that which relates to him

124 Chairman's Ruling is Final

If a question arises at any meeting of the Board or committee or sub-committee of the Board as to the materiality of a Director's interest or as to the entitlement of a Director to vote and the question is not resolved by his voluntarily agreeing to abstain from voting, the question must be referred to the Chairman of the meeting (or where the interest concerns the Chairman to the Deputy Chairman of the meeting who if not already appointed under Article 116 is the non-executive Director who has been in office as a non-executive Director the longest) and his ruling in relation to any other Director is final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed

125 Directors' Power Relating to Other Companies

The Board may exercise the voting power conferred by the shares in any company held or owned by the Company in any way that it decides (including voting in favour of any resolution appointing any of them Directors of that company, or voting or providing for the payment of remuneration to the Directors of that company)

SECRETARY

126 Appointment and Removal

Subject to the Companies Acts, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such other conditions as it may think fit Any Secretary may be removed by the Board

127 Secretary also a Director

Any provision of the Companies Acts or these Articles requiring or authorising a thing to be done by a Director and the Secretary, shall not be satisfied by it being done by the same person acting both as Director and as or in place of the Secretary

MINUTES

128 The Board shall cause minutes to be made in books kept for the purpose

128 1 of all appointments of officers made by the Board,

128 2 of the names of the Directors present at each meeting of the Board and of any committee of the Board, and

128 3 of all proceedings at meetings of the Company or the holders of any class of shares in the Company and of the Board and of committees of the Board

128 4 Any such minutes, if purporting to be authenticated by the chairman of the meeting to which they relate or of the chairman of the next meeting, shall be sufficient evidence without any further proof of the facts stated in them

THE SEAL

129 Safe Custody

The Board shall provide for the safe custody of every Seal. A Seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board. The Board shall determine who may sign any instrument to which the Seal is affixed and unless otherwise so determined, it shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or some other person appointed by the Board for that purpose

130 Certificates for Shares or Debentures

All forms of certificates for shares or debentures or any other form of security (other than letters of allotment or scrip certificates) shall be issued under the Seal, but the Board may resolve (subject to such restrictions as it may determine) either generally or in any particular case, that any signatures may be affixed to such certificates by some mechanical or electronic means or that such certificates need not bear any signature

131 Securities Seal

The Company may have

131 1 an official seal kept by virtue of section 50 of the 2006 Act and

131 2 an official seal for use abroad under the provisions of the Companies Acts as and where the Board shall determine,

and the Company may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and may impose such restrictions on its use as the Board may think fit

ACCOUNTING RECORDS BOOKS AND REGISTERS

132 Keeping of Records

The Board shall cause accounting records and such other books and registers to be kept as are necessary to comply with the Companies Acts

133 Location and Inspection of Records

The accounting records shall be kept at the Office or (subject to the provisions of the Companies Acts) at such other place in England and Wales as the Board thinks fit and shall always be open to inspection by the Directors of the Company. No member (other than a Director) shall have any right to inspect any accounting record or book or document, except as conferred by law or authorised by the Board

134 Laying of Accounts

In accordance with the Companies Acts, the Board shall cause such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Companies Acts to be prepared and to be laid before the Company in general meeting. The Board shall in its report on the accounts, state any amount which it recommends to be paid by way of dividend

135 Circulation of Balance Sheet and Summary Financial Statements

135 1 A copy of every balance sheet (including every document required to be annexed by law to it) which is to be laid before the Company in general meeting and of the Directors' and Auditors' reports shall, at least 21 clear days previous to such meeting, be sent to every member of the Company, every holder of the Company's debentures and every person who is entitled to receive notice of general meetings, at his current address which has been notified to the Company as one at which documents may be sent to him and the Company has no reason to believe that documents sent to that address will not reach him, or, in the case of joint holders of any share, to the current address of one of the joint holders

135 2 The requirements of Article 135 1 shall be deemed satisfied by sending to the requisite persons, where permitted by the Companies Acts and instead of the copies referred to in that Article, a summary financial statement derived from the Company's annual accounts and the Directors' report and prepared in the form and containing the information prescribed by the Companies Acts

AUDIT

136 Appointment and Duties of Auditors

Auditors shall be appointed and their duties regulated in accordance with the Companies Acts

137 Auditors' Report

The Auditors' report to the members made pursuant to the statutory provisions as to audit, shall be read before the Company in general meeting and shall be open to inspection by any member, and in accordance with the Companies Acts, every member shall be entitled to be furnished with a copy of the balance sheet (including every document required by law to be annexed to it) as laid before the Company in general meeting together with the Auditors' report on it

AUTHENTICATION OF DOCUMENTS

138 Persons Entitled to Authenticate

Any Director or the Secretary shall have power to authenticate any document affecting the constitution of the Company and any resolution passed by the Company or the Board and any books, records, documents and accounts relating to the business of the Company and to certify copies of extracts from them as true copies or extracts. Where any books, records, documents or accounts are kept other than at the Office, the officer of the Company having their custody shall be deemed to be a person appointed under the authority of the Board to give such authentication or certificate

139 Certified Resolutions

A document purporting to be a copy of a resolution or an extract from the minutes of a meeting of the Company or of the Board or of any committee which is certified as such in accordance with Article 138, shall be conclusive evidence in favour of all persons dealing with the company in reliance on it that such resolution has been duly passed or as the case may be that such extract is a true and accurate record of proceedings at a duly constituted meeting

RECORD DATES

140 Notwithstanding any other provision of these Articles, the Board may fix a date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time within six months before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made

DIVIDENDS

141 Declaration by the Company

Subject to the Companies Acts, the Company may by ordinary resolution declare, that out of profits available for distribution, there be paid dividends to members in accordance with their respective rights and priorities, but no dividend shall exceed the amount recommended by the Board

142 Dividends according to Amounts Paid Up

All dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid unless otherwise provided by the rights attached to shares or their terms of issue. No amount paid on a share in advance of the date upon which a call is payable shall be treated for the purposes of this Article or Article 143 as paid up on the share.

143 Dividends according to Time of Issue

Any general meeting declaring a dividend may, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or partly by the distribution of specific assets (and in particular of fully paid shares or debentures of any other company) and the Board shall give effect to such direction. Where any difficulty arises regarding such distribution, the Board may settle it as it thinks expedient. In particular it may issue fractional certificates or fix the value of specific assets for distribution. It may also determine that a cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of those entitled to participate in the dividend and may vest any such specific assets in trustees upon trust for the members entitled to the dividend as may seem expedient to the Board.

144 Interim Dividends

The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits available for distribution and the financial position of the Company. The Board may also pay any fixed dividend payable on any shares of the Company with preferential rights half-yearly or otherwise on fixed dates wherever in the opinion of the Board such profits and the financial position of the Company justify that course. In particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the company is divided into different classes, the Board may pay interim dividends on shares in the capital of the Company which confer deferred or non-preferential rights as well as in respect of shares which confer preferential rights with regard to dividend but no interim dividend shall be paid on shares carrying deferred or non-preferential rights, if at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring any preferential rights for any loss that they may suffer by reason of the lawful payment of an interim dividend on any shares having deferred or non-preferential rights.

145 Deductions from Dividends

The Board may deduct from any dividend 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 in the Company.

146 Payments to Person on the Register

146.1 Any resolution declaring a dividend on shares of any class (whether a resolution of the company in general meeting or a resolution of the Board) may direct that it shall be payable to the persons named on the Register as the

holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed. Thereupon the dividend shall be payable to them in accordance with their respective registered holdings, but without prejudice to the rights of transferors and transferees of any such shares between themselves in respect of such dividend.

146.2 Save as directed in accordance with Article 146.1, all dividends and interest 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 the date at which such interest shall be payable respectively, notwithstanding any subsequent transfer or transmission of shares.

146.3 The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder, to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.

147 **Late Payment and Forfeiture**

No dividend or other money payable in respect of a share shall bear interest against the Company unless expressly provided otherwise by the rights attached to the share. Any dividend unclaimed for a period of 12 years after having been declared shall be forfeited and revert to the Company.

148 **Method of Payment**

Any dividend or other money payable in respect of a share may be paid by cheque or warrant sent through the post to the address in the Register of the holder entitled to it and in the case of joint holders, to the address in the Register or that of one of the joint holders who is first named in the Register, or to such person and to such other address as the holder or joint holders may direct in writing. Where a direction to that effect has been received by the Company in such form as the Company considers sufficient, the Company may pay the amount distributable to such holder or joint holders to the persons specified in that direction and payable in accordance with such direction shall constitute a good discharge for the Company. Every cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the risk of the holder or joint holders entitled to it and payment of the cheque or warrant shall be a good discharge for the Company. In addition, any such dividend or other money payable may be paid by any bank or other funds transfer system or such other means (including, in relation to any dividend or other sum payable in respect of shares held in uncertificated form, by means of a Relevant System in any manner permitted by the rules of the Relevant System concerned) and to or through such person as the holder or joint holders may direct in writing, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions.

149 **Receipts of Joint Holders**

If several persons are entered in the Register as joint holders of any shares, any one of them may give effectual receipts for any money payable in respect of the share.

SCRIP DIVIDENDS

- 150 If authorised by an ordinary resolution of the Company, the Board may offer the holders of Ordinary Shares (excluding, for the avoidance of doubt, the Company itself to the extent that it is such a holder by virtue of its holding any shares as treasury shares) the right to elect to receive additional Ordinary Shares credited as fully paid instead of cash in respect of any dividend or any part of any dividend specified by the ordinary resolution. The following provisions shall apply to such an offer
- 150 1 An ordinary resolution may specify a particular dividend or may specify all or any dividends declared within a specified period, but such period may not end later than the conclusion of the Annual General Meeting which immediately follows the date of the meeting at which the ordinary resolution is passed
- 150 2 The entitlement of each holder to new Ordinary Shares shall be such that the relevant value of each new Ordinary Share shall be as nearly as possible equal to (but not greater than) the cash amount that the holder would have received by way of dividend. For that purpose, the "relevant price" of an Ordinary Share shall be the average of the middle market quotations of the Ordinary Shares on AIM, as derived from the Daily Official List of the London Stock Exchange, on such five consecutive dealing days as the Board shall determine provided the first of such days shall be on or after the day on which such Ordinary Shares are first quoted "ex" the relevant dividend, or shall be calculated in such other manner as the Board may determine and is set out in the announcement of the availability of the election in respect of the relevant dividend. A certificate or report by the Auditors as to the amount of the relevant price in respect of any dividend shall be conclusive evidence of the amount and in giving such a certificate or report the Auditors may rely on advice or information from brokers or other sources of information as they think fit
- 150 3 After determining the basis of allotment, the Board may notify the holders of Ordinary Shares in writing of the right of election offered to them and specify the procedure to be followed (which for the avoidance of doubt, may include an election by means of a Relevant System) and place at which and the latest time by which elections must be lodged in order to be effective and the Board may include in the procedure the right to make and revoke such election by means of a Relevant System
- 150 4 Entitlements to fractions of a share shall be ignored and no fractions of a share will be allotted
- 150 5 The Board may exclude from any offer any holders of Ordinary Shares where the Board believes that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them
- 150 6 The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect of which an election has been made ("the elected shares") and instead additional Ordinary Shares shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment calculated as stated. For such purpose, the Board

shall capitalise out of any amount for the time being standing to the credit of any reserve or fund (including share premium account, any capital reserve account and the profit and loss account) available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to the holders of the elected shares on that basis

- 150 7 The additional Ordinary Shares when allotted shall rank pari passu in all respects with fully-paid Ordinary Shares then in issue, except that they will not be entitled to participate in the relevant dividend (including the share election in lieu of dividend)

RESERVES

- 151 Before recommending any dividend (whether preferential or otherwise) the Board may set aside out of the profits of the Company such sums as it thinks fit as a reserve which shall at the discretion of the Board be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied and pending such application may also at such discretion either be employed in the business of the Company or be invested in such investments as the Board may think fit. It shall not be necessary to keep any investments constituting any reserve separate or distinct from any other investments of the Company. The Board may also carry forward any profits which it may think prudent not to distribute without placing them to reserve

CAPITALISATION OF PROFITS

152

- 152 1 Upon the recommendation of the Board, the Company may resolve that it is desirable to capitalise all or any part of the profits of the Company to which this Article applies and accordingly that the Board be authorised and directed to appropriate the profits so resolved to be capitalised to the members on the record date specified in the relevant resolution or determined in accordance with it, who would have been entitled to it if distributed by way of dividend and in the same proportions
- 152 2 Subject to any direction given by the Company, the Board shall appropriate the profits resolved to be capitalised by any such resolution and apply such profits on behalf of the members entitled to them either
- (a) in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such members respectively, or
 - (b) in paying up in full unissued shares, debentures or obligations of the Company of a nominal amount equal to such profits for allotment and distribution credited as fully paid to and amongst such members in the proportions referred to above or partly in one way and partly in the other, provided that no unrealised profit shall be applied in paying up amounts unpaid on any issued shares and the only purpose to which sums standing to capital redemption reserve or share premium account shall be applied

pursuant to this Article shall be the payment up in full of unissued shares to be allotted and distributed to members credited as fully paid

152 3 The Board shall have power after passing such a resolution

- (a) to make such provision (by the issue of fractional certificates or by payment in cash or otherwise) as it thinks fit for the case of shares, debentures or obligations becoming distributable in fractions, such power to include the right for the Company to retain small amounts the cost of distribution of which would be disproportionate to the amounts involved and, if the Board thinks fit, the right not to pay up or allot fractional entitlements
- (b) to authorise any person acting on behalf of all the members entitled to them to enter into an agreement with the Company providing (as the case may require) either
 - (I) for the payment up by the Company on behalf of such members (by the application of their respective proportions of the profits resolved to be capitalised) of the amounts or any part of the amounts remaining unpaid on their existing shares, or
 - (II) for the allotment to such members respectively credited as fully paid of any further shares, debentures or obligations to which they may be entitled upon capitalisation,and any agreement made under such authority shall be effective and binding on all such members

152 4 The Company in general meeting may resolve that any shares allotted pursuant to Article 152 to holders of partly-paid Ordinary Shares shall so long as such Ordinary Shares remain partly-paid, rank for dividends only to the extent that such partly paid shares rank for dividends

152 3 The profits of the Company to which this Article applies shall be any undivided profits of the Company not required for paying the fixed dividends on any preference shares or other shares issued on special conditions and shall also be deemed to include

- (a) any profits arising from appreciation in capital assets (whether realised by sale or ascertained by valuation), and
- (b) any amounts for the time being standing to any reserve or to the capital redemption reserve or to share premium or other special account

NOTICES

153 **Service**

Any document, information or notice may be served by the Company on any member either personally or by any of the forms permitted by the 2006 Act. In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the Register and notice so given shall be sufficient notice to all the joint holders. Paragraphs 16(2) and 16(3), Schedule 5 of the 2006 Act shall not apply. Without prejudice to Article 50, the accidental failure to send any document, notice or information to or the non-receipt of any document, notice or information by any person entitled to any document, notice or information relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.

154 Hard Copy

154 1 Any document, information or notice is validly sent or supplied by the Company in hard copy if it is handed to the intended recipient or sent or supplied by hand or through the post in a prepaid envelope

- (a) to an address specified for the purpose by the intended recipient,
- (b) if the intended recipient is a company, to its registered office,
- (c) to the address shown in the Company's register of members,
- (d) to any address to which any provision of the 2006 Act authorises it to be sent or supplied, or
- (e) if the Company is unable to obtain an address falling within paragraphs 158 1(a) to 158 1(d) to the last address known to the Company of the intended recipient

155 Electronic Form

155 1 Any document, information or notice is validly sent or supplied by the Company in electronic form

- (a) to a person if that person has agreed (generally or specifically) that the document, information or notice may be sent or supplied in that form and has not revoked that agreement, or
- (b) to a company that is deemed to have so agreed by the 2006 Act

156 Electronic Means

156 2 Any document, information or notice is validly sent or supplied by the Company by electronic means if it is sent or supplied

- (a) to an address specified for the purpose by the intended recipient (generally or specifically), or
- (b) where the intended recipient is a company, to an address deemed by the 2006 Act to have been so specified

157 Website

157 1 Any document, information or notice is validly sent or supplied by the Company to a person by being made available on a website if

- (a) the person has agreed (generally or specifically) that the document, information or notice may be sent or supplied to him in that manner, or he is taken to have so agreed under Schedule 5 2006 Act, and in either case he has not revoked that agreement,
- (b) the Company has notified the intended recipient of
 - (I) the presence of the document, information or notice on the website,
 - (II) the address of the website,
 - (III) the place on the website where it may be accessed,
 - (IV) how to access the document, information or notice, and
 - (V) any other information prescribed by the Companies Acts including, when the document, information or notice is a notice of meeting, that fact, the place, date and time of the meeting and whether the meeting is an Annual General Meeting, and

- (c) the document, information or notice is available on the website throughout the period specified by any applicable provision of the 2006 Act or, if no such period is specified, the period of 28 days starting on the date on which the notification referred to in Article 157 1(b) is sent to the relevant person

158 Any other Means

Any document, information or notice that is sent or supplied otherwise than in hard copy or electronic form or by means of a website is validly sent or supplied if it is sent or supplied in a form or manner that has been agreed by the intended recipient

159 Joint Holders

In respect of joint holdings all documents, notices and information shall be sent or supplied to the joint holder whose name stands first in the Register in respect of such joint holding, and notice so sent or supplied shall be sufficient notice to all the joint holders. A joint holder whose name stands first in the Register but who has no specified or registered address in the United Kingdom for the service of notices shall be disregarded for this purpose except to the extent that the Company intends to send or supply a notice by electronic means and the joint holder whose name stands first in the Register has agreed (generally or specifically) to the sending or supply of that document, information or notice by electronic means and has not revoked that agreement and he has notified the Company of an address for that purpose. Anything to be agreed or specified in respect of a joint holding may be agreed or specified by the joint holder whose name stands first in the Register. Paragraphs 16(2) and 16(3), Schedule 5 2006 Act shall not apply

160 Deemed Time of Service

160 1 Proof that an envelope containing a notice was properly addressed prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 24 hours after the envelope containing it was posted, or if sent by electronic means, 24 hours after it was sent

160 2 Where a document, information or a notice to be given or sent by electronic means has failed to be transmitted after three attempts, then that notice or other document shall nevertheless be deemed to have been sent for the purposes of Article 156 1 and that failure shall not invalidate any meeting or other proceeding to which the notice or document relates

161 Members outside the United Kingdom

Any member whose address in the Register is not within the United Kingdom, may be served with notices by facsimile transmission or electronic means or if he gives to the Company an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address, but otherwise no member other than a member whose address in the Register is in the United Kingdom shall be entitled to receive any notice from the Company

162 Notices before Person becomes a Member

Every person who becomes entitled to a share shall be bound by any notice in respect of that share which has been duly given to a person from whom he derives his title before his name is entered in the Register, except for any section 793 notice under the 2006 Act or any notice given under Article 30

163 Curtailment of Postal Services

If by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notices sent through the post, then despite the availability of any other method of sending or supplying notices, a general meeting may be convened by a notice advertised on the same date in at least two leading daily newspapers with appropriate circulations (at least one of which shall be published nationally) and such notice shall be deemed to have been duly served on all members entitled to receive it at noon on the day when the advertisements appear. In any such case, the Company shall send confirmatory copies of the notice by post if seven days or more prior to the meeting, the posting of notices to addresses throughout the United Kingdom becomes practicable again.

UNTRACED SHAREHOLDERS

164 Power to Sell Shares

164 1 The Company shall be entitled to sell the shares of a member of the shares to which a person is entitled by virtue of transmission on death or bankruptcy at the best price reasonably obtainable if

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in Article 164 1(b) (or if published on different dates the earliest) all dividends, warrants and cheques in respect of the shares in question sent in the manner authorised by these Articles have remained uncashed and during such period at least three dividends in respect of the shares in question have been paid by the Company,
- (b) the Company shall on expiry of that 12 year period have inserted advertisements both in a leading national daily newspaper and in a newspaper circulating in the area of the last known address of such member or other person, giving notice of its intention to sell those shares,
- (c) the advertisements were published within 30 days of each other if not published on the same day,
- (d) during that 12 year period and for the period of three months following the date of publication of the advertisements (or if published on different dates, the later one) and prior to the exercise of the power of sale, the Company shall have not received indication either of the whereabouts or of the existence of such member or persons, and
- (e) the Company has given notice in writing to AIM as appropriate of the proposed form of the advertisements its intention to make such sale

165 Transfer of Shares of Untraced Member

To give effect to any such sale, the Company may appoint any person to execute as transferor a transfer instrument and such transfer instrument shall be as effective as if it has been executed by the holder of or person entitled by

transmission to such shares. The title of the transferee shall not be affected by any irregularity or invalidity in the proceedings prescribed by Article 164

166 Proceeds of Sale

The Company shall account to the former member or other person previously entitled for the net proceeds of a sale pursuant to Article 165 by transferring those proceeds to a separate account which (until the Company has so accounted) shall be a permanent debt of the Company

167 No Trust

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

168 Notices to Persons Entitled to a Share

On supply to the Company such evidence as the Board may reasonably require to show his title to that share and upon supplying an address within the United Kingdom for the service of notices a person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member shall be entitled to have served on or delivered to him at such address any notice or document to which the member (but for his death, mental disorder or bankruptcy) would have been entitled and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid, any notice or document delivered or sent by post to or left at the last registered address of any member pursuant to these Articles shall (notwithstanding that such member is then dead or bankrupt or in liquidation or that a receiver has been appointed for him under the Mental Health Act 1983 or the Mental Health (Care and Treatment) (Scotland) Act 2003) be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first named joint holder

169 Notice of Meeting Deemed Given

Subject to Articles 153 to 163 inclusive, any member present either personally or by proxy at any general meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received due notice of such meeting and of the purposes for which it was called unless he makes any defect in the service of the notice known to the Chairman at the commencement of the meeting

DESTRUCTION OF DOCUMENT

170 The Company shall be entitled to destroy:

170.1 all transfer documents which shall have been registered and all letters of request, renounced allotment letters, renounceable share certificates, forms of acceptance and transfer and applications for allotment in respect of which an

entry in the Register shall have been made at any time after the expiration of six years from the date of registration or the date on which an entry relating to them shall have been made (as the case may be),

170 2 all registered certificates for shares of the Company (being certificates for shares in the name of a transferor and in respect of which the Company has registered a transfer) and all mandates and other written directions as to the payment of dividends (being mandates or directions which have been cancelled) at any time after the expiration of one year from the date of cancellation, and

170 3 all notifications of change of name or address at any time after the expiration of one year from the date of recording them

170 4 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 a transfer instrument or other document so destroyed was duly and properly made and every transfer instrument so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document mentioned above was in accordance with its particulars recorded in the books or records of the Company provided always that

(a) the foregoing provisions shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant,

(b) nothing contained in this Article shall be construed as imposing any liability upon the Company in respect of the destruction of any such document earlier than prescribed by this Article or in any other circumstances which would not attach to the Company in the absence of this Article,

(c) references to the destruction of any document include references to its disposal in any manner, and

(d) any document referred to in Articles 170 4(b) and 170 4(c) may be destroyed at a date earlier than that authorised by Article 170 1, provided that a permanent copy of such document shall have been made which shall not be destroyed before the expiration of the period applicable to the destruction of the original of such document and in respect of which the Board shall take adequate precautions for guarding against falsification and for facilitating its production

WINDING UP

171 If the Company commences liquidation, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by law

171 1 divide among the members 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 for that purpose set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members, and

171 2 vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction shall think fit

but no member shall be compelled to accept any shares or other assets upon which there is any liability

INDEMNITY

- 172 Subject to the provisions of and so far as may be permitted by the Companies Acts but without prejudice to any indemnity to which he may otherwise be entitled, the Company shall indemnify
- 172 1 any Director, secretary or other officer (other than auditor) of the Company or any Director, secretary or other officer (other than auditor) of a subsidiary out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation to them, and
- 172 2 any Director of a subsidiary if that subsidiary is a trustee of an occupational pension scheme against liability incurred in connection with the Company's activities as trustee of the scheme