

The Companies Acts 1985, 1989 and 2006

A Public Company Limited by Shares

ARTICLES OF ASSOCIATION

(Adopted on 12 May 2010 pursuant to a special resolution passed on 12 May 2010)

of

BG GROUP PLC

PRELIMINARY

1. Table A and other standard regulations do not apply

The **regulations** in Table A of the Companies (Tables A to F) Regulations 1985, the regulations in the Companies (Model Articles) Regulations 2008, and any similar **regulations** in any other **legislation** relating to **companies**, do not apply to the **Company**.

2. The meaning of the Articles

2.1 The following table gives the meaning of certain words and phrases as they are used in these **Articles**. However, the meaning given in the table does not apply if that meaning is inconsistent with the context in which a word or phrase appears. After the **Articles** there is a Glossary which explains various words and expressions. But the Glossary is not part of the **Articles**, and it does not affect their meaning. The words which are explained in the Articles are printed in bold and those which are explained in the Glossary are printed in *italics*.

Words	Definitions
the 2006 Act	The Companies Act 2006 to the extent in force from time to time.
the Acts	The Companies Acts (as defined in Section 2 of the Companies Act 2006), in so far as they apply to the Company.
alternate director	Has the meaning set out in Article 116.1.
amount (of a share)	This refers to the <i>nominal value</i> of the share.
Articles	The Company's Articles of Association, including any changes made to them.
class meeting	Has the meaning set out in Article 37.
clear days	In relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
committee	Includes a sub-committee.
company	Includes any corporate body.

<i>company representative</i>	Has the meaning set out in Article 78.1
Company Secretary	Any person appointed by the Directors to do work as the company secretary including any assistant or deputy secretary.
the Company	BG Group plc.
CREST Regulations	The Uncertificated Securities Regulations 2001.
electronic form	Has the same meaning as in the Acts .
electronic means	Has the same meaning as in the Acts .
Equal Ranking Shares	Has the meaning set out in Article 38.
equity shares	Shares in the capital of the Company which are regarded as equity share capital pursuant to Section 548 of the 2006 Act .
existing shares (of any kind)	Shares which are in <i>issue</i> at the relevant time.
the Group	The Company and any subsidiary or subsidiaries of the Company .
holder	In relation to shares, the member whose name is entered in the register of members as the holder of the shares.
legislation	The Acts and all other laws and regulations applying to the Company .
London Stock Exchange	London Stock Exchange plc.
Operator	CRESTCO Limited or any other operator of a relevant system under the CREST Regulations .
Ordinary Shareholder	A holder of the Company's Ordinary Shares .
Ordinary Shares	Ordinary shares of 10 pence each in the Company .
paid-up share or other security	Includes a share or other security which is treated (credited) as paid up.
pay	Includes any kind of reward or payment for services.
<i>proxy form</i>	Includes any document (including in electronic form) which appoints a <i>proxy</i> .
<i>recognised clearing house</i>	A clearing house granted recognition under the Financial Services and Markets Act 2000.
<i>recognised investment exchange</i>	An investment exchange granted recognition under the Financial Services and Markets Act 2000.
Register	The Company's register of <i>members</i> .
Registered Office	The Company's registered office.
<i>relevant system</i>	Has the meaning set out in the CREST Regulations .
Seal	The Company's Common Seal, or any official seal kept by the Company under Section 50 of the 2006 Act (called a <i>securities seal</i>).
shareholder	A holder of the Company's shares.

shareholders' meeting	Includes both a <i>General Meeting</i> of the Company and a meeting of any class of holders of the Company's shares.
subsidiary	A " <i>subsidiary undertaking</i> ", as defined in Section 1162 of the 2006 Act .
terms of a share	The terms on which a share was issued.
treasury shares	Shall be construed in accordance with Section 724(5) of the 2006 Act .
UK Listing Authority	The Financial Services Authority in its capacity as the competent authority under the Financial Services and Markets Act 2000.
Uncertificated Proxy Instruction	A properly authenticated, dematerialised instruction, and/or other instruction or notification, sent by means of a relevant system to such participant in that system acting on behalf of the Company as the Directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system).
United Kingdom	Great Britain and Northern Ireland.

- 2.2** References to a *debenture* include debenture stock and references to a **debenture holder** include a debenture stockholder.
- 2.3** Where the **Articles** refer to a **person** who is *automatically entitled to a share by law*, this includes a **person** who is entitled to the share as a result of the death, or bankruptcy, of a **shareholder**.
- 2.4** Words which refer to a single number also refer to plural numbers, and the other way around.
- 2.5** Words which refer to the masculine gender include the feminine gender.
- 2.6** References to **other** and **otherwise** are not to be construed as if they apply only to things which are of the same kind or nature as the particular things which precede the reference to **other** or **otherwise**.
- 2.7** References to a **person** include individuals, **companies**, *unincorporated associations* and other similar entities.
- 2.8** Any headings in these **Articles** are only included for convenience. They do not affect the meaning of the **Articles**.
- 2.9** **When** an **Act**, or a section of an **Act**, is referred to, this includes any amendment to the **Act** or section, as well as its inclusion in a later **Act**. Where any **rules** or **regulations** are referred to, this includes any amendment to those **rules** or **regulations** or any *re-issue* of them.
- 2.10** **Where** these **Articles** are referred to, the version which is current at any particular time will apply.
- 2.11** **Where** the **Articles** give any power or authority to anybody, this power or authority can be used on any number of occasions, unless the way in which the word is used does not allow this meaning.
- 2.12** **Any** word which is defined in the **Acts** or the **CREST Regulations** means the same in the **Articles**, unless the **Articles** define it differently, or the way in which the word is used is inconsistent with the definition given in the **Acts** or the **CREST Regulations**.
- 2.13** Where the **Articles** say that anything can be done by passing an *ordinary resolution*, this can also be done by passing a *special resolution*.

- 2.14** Where the **Articles** refer to changing the **amount** of shares this means doing any or all of the following:
- *subdividing* the shares into other shares with a smaller *nominal amount*;
 - *consolidating* the shares into other shares with a larger *nominal amount*; and
 - dividing shares which have been *consolidated* into shares with a larger *nominal amount* than the original shares had.
- 2.15** Where the **Articles** refer to any document being **made effective** this means being signed, sealed or *executed* in some other legally valid way.
- 2.16** Where the **Articles** refer to **months** or **years**, these are calendar months or years.
- 2.17** Articles which apply to *fully-paid shares* can also apply to *stock*. References in those Articles to share or **shareholder** include *stock* or stockholder.
- 2.18** Where the **Articles** refer to shares in **certificated form** this means that ownership of the shares can be transferred using a written transfer document (rather than in accordance with the **CREST Regulations**) and that a share certificate is usually issued to the owner.
- 2.19** Where the **Articles** refer to shares in **uncertificated form** this means that ownership of the shares can be transferred in accordance with the **CREST Regulations** without using a written transfer document and that no share certificate is *issued* to the owner.
- 2.20** Where the Articles refer to any offer, notice, information or other document being in writing this includes typewriting, printing, facsimile, photography and any other modes of representing or reproducing words in a legible and non-transitory form and includes offers, notices, information or other documents which are sent or supplied in **electronic form** or made available on a website. Any offer, notice, information or other document is sent or supplied in hard copy form if it is sent or supplied in a paper copy or similar form capable of being read. References to hard copy have a corresponding meaning.
- 2.21** References to officers include Directors, **alternate directors**, managers and the **Company Secretary**, but not the Company's auditors.
- 2.22** The term **address**, when used in relation to communications made in **electronic form**, includes any number or address (including, in the case of any **Uncertificated Proxy Instruction** permitted under Article 78.4, an identification number of a participant in the **relevant system**) used for the purposes of sending or receiving offers, notices, information or other documents by **electronic means**.

SHARE CAPITAL

3. Liability of members

The liability of the **Company's shareholders** is limited to the amount, if any, unpaid on the shares held by them.

CHANGING CAPITAL

4. (Not in use)

5. (Not in use)

6. The power to change capital

The **shareholders** can pass *ordinary resolutions* to do any of the following:

- to consolidate, or consolidate and then divide, all or any of the Company's share capital into new shares of a larger nominal value than the existing shares;
- to divide some or all of the **Company's** share capital into shares which are of a smaller *nominal value* than the **existing shares**. This is *subject to* any restrictions under the **legislation**. The resolution may provide that, as between the holders of the divided shares, different *rights* and restrictions which the **Company** can apply to new shares may apply to all or any of the different divided shares.

7. Fractions of shares

7.1 If any shares are *consolidated* or divided, the Directors have the power to deal with any fractions of shares which result as they see fit. If the Directors decide to sell any shares representing fractions, they can do so for the best price reasonably obtainable and distribute the net proceeds of sale among *members* in proportion to their fractional entitlements in accordance with their rights and interests or retain such net proceeds for the benefit of the Company. The Directors can sell to any **person** (including the **Company**) and can authorise any **person** to transfer those shares to the buyer or in accordance with the buyer's instructions. The buyer does not need to take any steps to see how any money he is paying is used. Nor will his ownership be affected if the sale was irregular or invalid in any way.

7.2 So far as **legislation** allows, when shares are *consolidated* or divided, the Directors can treat a **shareholder's** shares which are held in **certificated form** and in **uncertificated form** as separate shareholdings. The Directors can also arrange for any shares which result from a *consolidation* or division and which represent rights to fractions of shares to be entered in the **Register** as shares in **certificated form** where this makes it easier to sell them.

8. (Not in use)

9. Treasury shares

The **Company** may not *exercise* any right in respect of **treasury shares** held by it, including any right to attend or vote at *General Meetings*, to participate in any offer by the **Company** to **shareholders** or to receive any distribution (including in a winding-up), but without prejudice to its right to sell the **treasury shares**, to receive an *allotment* of **shares** as fully paid bonus shares in respect of the **treasury shares** or to receive any amount payable on redemption of any *redeemable treasury shares*.

SHARES

10. The special rights of new shares

10.1 If the **Company** *issues* new shares, the new shares may have any rights or restrictions attached to them. The rights can take priority over the *rights* of **existing shares**, or **existing shares** can take priority over them, or the new shares and the **existing shares** can *rank* equally. These rights and restrictions can apply to sharing in the **Company's** profits or assets. Other rights and restrictions can also apply, for example on the right to vote.

10.2 The rights and restrictions referred to in Article 10.1 can be decided by an *ordinary resolution* passed by the **shareholders**. The Directors can also take these decisions if they do not conflict with any resolution passed by the **shareholders**.

10.3 The *rights* of any new shares can include rights for the holder and/or the **Company** to have them *redeemed* and the Directors may determine the terms, conditions and manner of redemption of any such share.

10.4 The ability to attach particular rights and restrictions to new shares may be restricted by *special rights* previously given to holders of any **existing shares**.

11. The Directors' power to deal with shares
- 11.1 Subject to the **legislation**, the Directors can allot shares in the **Company** or grant rights to subscribe for or to convert any security into shares in the **Company** in accordance with any authority given at a *General Meeting*.
12. (Not in use)
13. Power to pay commission and brokerage
- 13.1 The **Company** can use all the powers given by the **legislation** to **pay** commission or *brokerage* to any **person** who:
- applies, or agrees to apply, for any new shares; or
 - gets anybody else to apply, or agree to apply for, any new shares.
- 13.2 The rate per cent. or amount of the commission paid or agreed to be paid must be made as required by the **legislation** and may be paid:
- in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other; and
 - in respect of a conditional or an absolute subscription.
14. Renunciations of allotted but unissued shares
- Where a share has been *allotted* to a **person** but that **person** has not yet been entered on the **Register**, the Directors can recognise a transfer (called a *renunciation*) by that **person** of his right to the share in favour of some other **person**. The ability to *renounce allotments* only applies if the terms on which the share is *allotted* are consistent with *renunciation*. The Directors can impose terms and conditions regulating *renunciation* rights.
15. No trusts or similar interests recognised
- 15.1 The **Company** will only be affected by, or recognise, a current and absolute right to whole shares. The fact that any share, or any part of a share, may not be owned outright by the registered owner is not of any concern to the **Company** (even if having notice of it), for example if a share is held on any kind of *trust*.
- 15.2 The only exception to what is said in Article 15.1 is for any right:
- which is expressly given by these **Articles**; or
- which the **Company** has a legal duty to recognise.

SHARES IN UNCERTIFICATED FORM

16. Shares without certificates, and shares which can be transferred without transfer forms
- 16.1 The **Company** can *issue* shares, and other *securities*, which do not have certificates. The **Company** can also allow **existing shares**, and other *securities*, to be held without certificates. Evidence of ownership of these shares and *securities* does not involve a certificate. The **Company** can also allow any shares, or other *securities*, to be transferred without using a transfer form. All this applies so far as the **legislation** allows.
- 16.2 These shares and other *securities* can, for example, be transferred by using a **relevant system**, as defined in the **CREST Regulations**. Shares which can be transferred in this way are called **uncertificated shares**.

16.3 Immediately before any of the **Company's** shares become **uncertificated shares**, the **Articles** will only apply to those shares so far as they are consistent with:

- holding those shares as **uncertificated shares**;
- transferring ownership of those shares by using a **relevant system**; and
- any of the provisions of the **CREST Regulations**.

16.4 The Directors can also lay down regulations:

- which govern the *issue*, holding and transfer, and where appropriate, the mechanics of conversion and *redemption*, of these shares and *securities*;
- which govern the mechanics for payments involving a **relevant system**; and
- which make any other provisions which the Directors consider are necessary to ensure that these **Articles** are consistent with the **CREST Regulations**, and with any **rules** or guidance of an **Operator** of a **relevant system** under the **CREST Regulations**.

These regulations will, if they say so, apply instead of the other provisions in the **Articles** relating to certificates, and the transfer, conversion and *redemption* of shares and other *securities*, and any other provisions which are not consistent with the **CREST Regulations**. If the Directors do make any regulations under this Article 16.4, Article 16.3 will still apply to the **Articles**, read with those regulations.

SHARE CERTIFICATES

17. Certificates

17.1 When a **shareholder** is first registered as the holder of any class of shares in **certificated form**, he is entitled, free of charge, to a separate share certificate for each class of shares he holds in **certificated form**. If he holds shares of more than one class in **certificated form**, he is entitled to receive a separate share certificate for each class.

17.2 The **Company** must also observe any requirements of the **CREST Regulations** when issuing share certificates. Where the **legislation** allows, the **Company** does not need to *issue* share certificates.

17.3 If a **shareholder** receives more shares in **certificated form** of any class, he is entitled, without charge, to another certificate for the extra shares.

17.4 If a **shareholder** transfers part of his shares covered by a certificate, he is entitled, free of charge, to a new certificate for the balance if the balance is also held in **certificated form**. The old certificate will be cancelled.

17.5 The **Company** does not have to *issue* more than one certificate for any share in **certificated form**, even if that share is held jointly.

17.6 When the **Company** delivers a certificate to one joint **shareholder** holding shares in **certificated form**, this is treated as delivery to all of the joint **shareholders**.

17.7 The **Company** can deliver a certificate to a broker or *agent* who is acting for a **person** who is buying the shares in **certificated form**, or who is having the shares transferred to him in **certificated form**.

17.8 The Directors can decide how share certificates are **made effective**. For example, they can be:

- signed by one or more Directors;
 - sealed with the **Seal** (or in the case of shares on a branch register, an official seal for use in the relevant territory); or
 - printed, in any way, with a copy of the **Seal** or with a copy of the signature of one or more Directors. The copy can be made or produced mechanically, electronically or in any other way the Directors approve as long as it complies with the **legislation**.
- 17.9** A share certificate must state the number and class of shares to which it relates, their *nominal value* and the amount paid up on those shares. It cannot be for shares of more than one class.
- 17.10** The time limit for the **Company** to provide a share certificate in **certificated form** under this Article 17 is:
- one **month** after the *allotment* of a new share (or any longer period provided by its terms of *issue*);
 - five business days after a transfer of *fully paid shares* is presented for registration; or
 - two **months** after a transfer of *partly paid shares* is presented for registration.
- 17.11** Share certificates will also be prepared and sent earlier where either the **London Stock Exchange** or the **UK Listing Authority** requires it.
- 18.** Replacement share certificates
- 18.1** If a **shareholder** has two or more share certificates for shares of the same class which are in **certificated form**, he can ask the **Company** for these to be cancelled and replaced by a single new certificate. The **Company** must comply with such request provided that any certificate(s) which it is (or they are) to replace has first been returned to the **Company** for cancellation without making a charge for doing so.
- 18.2** A **shareholder** can ask the **Company** to cancel and replace a single share certificate with two or more certificates, for the same total number of shares. The **Company** may comply with such request and the Directors may require the **shareholder** to **pay** a reasonable sum to the **Company** for doing so.
- 18.3** A **shareholder** can ask the **Company** for a new certificate if the original is:
- damaged or defaced; or
 - alleged to be lost, stolen or destroyed.
- 18.4** If a certificate has been damaged or defaced, the **Company** can require the certificate to be delivered to it before issuing a replacement. If a certificate is alleged to be lost, stolen or destroyed, the **Company** can require satisfactory evidence, and an *indemnity*, before issuing a replacement.
- 18.5** The Directors can require the **shareholder** to **pay** a reasonable sum for issuing any share certificates following a request under Article 18.3.
- 18.6** Any one joint **shareholder** can request replacement certificates under this Article 18.

CALLS ON SHARES

- 19.** The Directors can make calls on shares

The Directors can *call* on **shareholders** to **pay** any money which has not yet been paid to the **Company** for their shares. This includes both the *nominal value* of the shares and any

premium which may be payable. They can also make *calls* on **people** who are *automatically entitled to shares by law*. If the terms of *issue* of the shares allow this, the Directors can:

- make *calls* as often, and whenever, they think fit;
- decide when and where the money is to be paid;
- decide that the money may be paid by instalments;
- wholly or partly *revoke* or postpone any *call*.

A *call* is treated as having been made as soon as the Directors pass a resolution authorising it.

20. The liability for calls

A **shareholder** who has received at least 14 days' notice giving the amount *called*, the time (or times) and place for payment must **pay** the *call* as required by the notice. Joint **shareholders** are *liable jointly and severally* to **pay** any money *called* for. A **shareholder** who transfers shares after a *call* is made on them remains liable for that *call*.

21. Interest and expenses on unpaid calls

If the **person** due to **pay** any money *called* for in this way does not **pay** it by the day that it is due, he is liable to **pay** interest on the money and any expenses incurred by the **Company** because of his failure to **pay** the *call* on time. This interest will run from the day the money is due until it has actually been paid. The yearly interest rate is that fixed by the Directors (*subject to a maximum of 15 per cent*) or, if no rate is fixed, at the rate of 5 per cent. per annum or such other rate as may be specified by order made by the Secretary of State but the Directors can decide to forgo any or all of this interest or expenses.

22. Sums which are payable when a share is allotted are treated as a call

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

23. Calls can be for different amounts

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

24. Paying calls early

24.1 The Directors can accept payment in advance of some or all of the money due from a **shareholder** before he is *called* on to **pay** the money and *liability* on the shares in respect of which the payment is made shall be extinguished to the extent of that payment. The Directors can agree to **pay** interest on money paid in advance (up to a maximum yearly interest rate of 15 per cent.) until it would otherwise be due to the **Company** at a rate fixed by the Directors.

24.2 Where money is paid in advance on shares in this way it will be ignored in calculating the dividend payable on those shares.

FORFEITING SHARES AND LIENS OVER SHARES

25. Notice following non-payment of a call

25.1 Articles 25 to 35 apply if a **shareholder** fails to **pay** the whole amount of a *call*, or an

instalment of a *call*, by the day that it is due. They also apply in the same way to a **person** who is *automatically entitled to a share by law*. The Directors can serve a notice on him any time after the date it is due, if the whole amount immediately due has not been paid. This notice must comply with Article 26.

26. Contents of the notice

The notice referred to in Article 25 must:

- demand payment of the amount immediately payable, plus any interest and any of the **Company's** expenses caused by the failure to **pay**;
- give a date by when the total referred to immediately above must be paid, but this must be at least 14 **clear days** after the notice is served on the **shareholder**;
- state where the payment must be made; and
- state that if the full amount demanded is not paid by the time and place stated, the **Company** can *forfeit* the shares on which the *call* or instalment was due.

27. Forfeiture if the notice is not complied with

If the notice is not complied with, the shares that it relates to can be *forfeited* at any time while any amount (including interest and expenses) is still outstanding. This is done by the Directors passing a resolution stating that the shares have been *forfeited*. The Directors can accept the surrender of any share that would otherwise be *forfeited*.

28. Forfeiture will include unpaid dividends

All dividends which are due on (and other amounts payable in respect of) the *forfeited* shares, but not yet paid, will also be *forfeited*.

29. Dealing with forfeited shares

29.1 A share *forfeited* or surrendered under Article 27 belongs to the **Company**. The Directors can sell, dispose of or re-allot any *forfeited* share on any terms, and in any way that they decide. This can be with, or without, a credit for any amount previously paid up for the share. It can be sold or disposed of to any **person**, including the previous **shareholder**, or the **person** who was previously *automatically entitled by law* to the share. The Directors can, if necessary, authorise any **person** to transfer a *forfeited* share.

29.2 The new **shareholder's** ownership of the share will not be affected if the steps taken to *forfeit* the share, or the sale or disposal of the share, were invalid or irregular, or if anything that should have been done was not done, and the new **shareholder** is not obliged to enquire as to how the purchase money (if any) is used.

30. Cancelling forfeiture

30.1 After a share has been *forfeited*, the Directors can cancel the *forfeiture*. But they can only do this before the share has been sold, re-allotted or disposed of. This can be on any terms that they decide.

30.2 If a share has not been sold, re-allotted or disposed of after three **years** from the date of *forfeiture*, the Directors must cancel the share.

31. The position of shareholders after forfeiture

31.1 A **shareholder** loses all rights in connection with *forfeited* shares. If the shares are in **certificated form**, he must surrender any certificate for those shares to the **Company** for

cancellation. A **shareholder** is still liable to **pay calls** which had been made, but not paid, before the *forfeiture* of his shares. He must also **pay** interest on the unpaid amount at the rate which was payable before the *forfeiture*, until it is paid. The Directors can fix the rate of interest, but it must not be more than 15 per cent a **year**.

31.2 The **shareholder** continues to be liable for all claims and demands which the **Company** could have made relating to the *forfeited* share. He is not entitled to any credit for the value of the share when it was *forfeited* or for money received by the **Company** under Article 29, unless the Directors decide to allow credit for all or any of that value. The Directors may also decide to waive any payment due either completely or in part.

32. The Company's lien on shares

The **Company** has a *lien* over all *partly paid shares*. The Company's *lien* over a share has priority over claims of others to that share and extends to any dividend or other money payable in respect of that share (and, if the lien is enforced and the share is sold by the Company, the proceeds of sale of that share). This *lien* is for any money owed to the **Company** for the shares. The Directors can decide to give up any *lien* which has arisen or that any share for a specified period of time be entirely or partly exempt from this Article. They can also decide to suspend any *lien* which would otherwise apply to particular shares.

33. Enforcing the lien by selling the shares

If the Directors want to enforce the *lien* referred to in Article 32, they can sell some or all of the shares in any way they decide. The Directors can authorise any **person** to transfer the shares sold. But they cannot sell the shares until all of these conditions are met:

- the money owed by the **shareholder** must be immediately payable;
- the Directors must have given a written notice to the **shareholder**. This notice must say how much is due. It must also demand that this money is paid, and say that the **shareholder's** shares will be sold if the money is not paid;
- the notice just referred to must have been served on the **shareholder**, or on any **person** who is *automatically entitled to the shares by law*. This notice can be served in any way that the Directors decide; and
- the money has not been paid by at least 14 **clear days** after the notice has been served.

34. Using the proceeds of the sale

If the Directors sell any shares under Article 33, the net proceeds will first be used to **pay** off the amount which is then payable to the **Company**. The Directors will **pay** any money left over to the former **shareholder**, or to any **person** who would otherwise be *automatically entitled to the shares by law*. But the **Company's** *lien* will also apply to any money left over, to cover any money still due to the **Company** which is not yet payable: the **Company** has the same rights over this money as it had over the shares immediately before they were sold. If the shares are in **certificated form**, the **Company** need not **pay** over anything left under this Article 34 until the certificate representing the shares sold has been delivered to the **Company** for cancellation.

35. Evidence of forfeiture or sale

A Director, or the **Company Secretary**, can make a *statutory declaration* which declares:

- that he is a Director or the **Company Secretary** of the **Company**;

- that a share has been properly surrendered, *forfeited* or sold to satisfy a *lien* under the **Articles**; and
- when the share was surrendered, *forfeited* or sold.

This will be evidence of these facts which cannot be disputed. If this declaration is delivered to the new holder of a share, with any completed transfer form which is required, this gives the buyer *good title* to the share. Nor does the new holder of the share need to take any steps to see how any money he may be paying for the share is used. The new **shareholder's** ownership of the share will not be affected if the steps taken to surrender or *forfeit* the share, or the sale or disposal of the share, were invalid or irregular, or if anything that should have been done was not done.

CHANGING SHARE RIGHTS

36. Changing the special rights of shares

36.1 If the **Company's** share capital is split into different classes of share and unless the **Articles** or rights attached to any class of share say otherwise, the *special rights* which are attached to any of these classes can be varied or *abrogated* in such manner as may be provided by those rights or if this is approved by a *special resolution*. This must be passed at a separate meeting of the holders of the relevant class of shares. This is called a **class meeting**. Alternatively, the holders of at least three-quarters of the **existing shares** of the class (by *nominal value*) can give their consent in writing.

36.2 The *special rights* of a class of shares can be varied or *abrogated* while the **Company** is a going concern, or while the **Company** is being *wound up*, or if this is being considered.

36.3 This Article 36 also applies to the variation or *abrogation* of *special rights* of shares forming part of a class. Each part of the class which is being treated differently is viewed as a separate class in operating this Article 36.

37. Class meetings

All the **Articles** relating to *General Meetings* apply, with any necessary changes, to a **class meeting**, but with the following adjustments:

- At least two people who hold (or who act as *proxies* for) at least one third of the total *nominal value* of the **existing shares** of the class are a *quorum*. However, if this *quorum* is not present at an *adjourned* meeting, one **person** who holds shares of the class, or his *proxy*, is a *quorum*.
- Any holder of shares of that class who is personally present, or who is represented by a *proxy*, can demand a *poll*.
- On a *poll*, the holders of shares will have one vote for every share of the class which they hold.

This is *subject to* any *special rights* or restrictions which are attached to any class of shares by the **Articles**, or when rights are attached to shares in some other way under the **Articles**.

38. More about the special rights of shares

The *special rights* of **existing shares** are not regarded as varied or *abrogated* if:

- new shares are created, or *issued*, which *rank* equally with or subsequent to any other **existing shares** in sharing in profits or assets of the **Company (Equal Ranking Shares)**; or

- the **Company** *redeems* or buys back its own shares.

But this does not apply if the terms of the **existing shares** expressly say otherwise.

TRANSFERRING SHARES

39. Transfer forms

39.1 Unless the **Articles** or terms of *issue* of any shares say otherwise, any **shareholder** can transfer some or all of his shares to another **person**. Every transfer of shares in **certificated form** must be in writing, and either in the usual standard form, or in any other form approved by the Directors.

39.2 Transfers of uncertificated shares are to be carried out using a **relevant system** and must comply with the **CREST Regulations**.

40. More about transfers of shares in certificated form

40.1 The transfer form for shares in **certificated form** must be delivered to the office where the **Register** is kept (or any other place the Directors may decide). The transfer form must have with it:

- the share certificate for the shares to be transferred; and
- any other evidence which the Directors ask for to prove that the **person** wishing to make the transfer is entitled to do this.

40.2 However, if a transfer is by a **recognised clearing house** or its nominee or by a **recognised investment exchange**, a share certificate is only needed if a certificate has been issued for the shares in question.

40.3 A share transfer form must be signed, or **made effective** in some other way, by the **person** making the transfer.

40.4 A share transfer form must also be signed, or **made effective** in some other way, by the **person** to whom the share is being transferred, if the share is not a **fully paid-up share**.

40.5 The **person** making a transfer will be treated as continuing to be the **shareholder** until the name of the **person** to whom a share is being transferred is put on the **Register** for that share.

40.6 If the **Company** registers a transfer or where the Directors have any grounds for suspecting fraud, it may keep the transfer form. Otherwise, if the Directors refuse to register a transfer the transfer *instrument* will be returned, when notice of refusal is given, to the **person** lodging it.

40.7 A transfer form cannot be used to transfer more than one class of shares. Each class needs a separate form.

40.8 No fee is payable to the **Company** for transferring shares or registering changes relating to the ownership of shares.

40.9 Transfers may not be in favour of more than four joint holders.

40.10 A transfer form must be properly stamped (for payment of stamp duty) where this is required.

41. The Company can refuse to register certain transfers

41.1 The Directors can refuse to register a transfer of any shares in **certificated form** which are not **fully paid-up**. But, if any of those shares are listed on the **London Stock Exchange**, the Directors cannot refuse to register a transfer if this would stop dealings in the shares from

taking place on an open and proper basis.

- 41.2 If the Directors decide not to register a transfer of a share, they must notify the **person** to whom the shares were to be transferred of the refusal together with reasons for the refusal. This must be done as soon as practicable and in any event no later than two **months** after the **Company** receives the transfer (in the case of a share in **certificated form**) or the instruction **from** the **Operator** of the **relevant system** (in the case of a share in **uncertificated form**). The Directors must send to the transferee such further information about the reasons for the refusal as the transferee may reasonably request.
42. (Not in use)
43. Overseas branch registers

The **Company** can use all the powers that the **legislation** gives to keep an overseas branch register. The Directors can make and change any regulations they decide on relating to this register, as long as the **legislation** allows this.

PERSONS AUTOMATICALLY ENTITLED TO SHARES BY LAW

44. When a shareholder dies
- 44.1 When a sole **shareholder** dies (or a **shareholder** who is the last survivor of joint **shareholders** dies), his legal *personal representatives* will be the only people who the **Company** will recognise as being entitled to his shares.
- 44.2 If a **shareholder** who is a joint **shareholder** dies, the remaining joint **shareholder** or **shareholders** will be the only people who the **Company** will recognise as being entitled to his shares.
- 44.3 But this Article does not discharge the estate of any **shareholder** from any *liability*.
45. Registering personal representatives and so on

A **person** who becomes *automatically entitled to a share by law* can either be registered as the **shareholder**, or can select some other **person** to have the share transferred to. The **person** who is *automatically entitled by law* must provide any evidence of his entitlement which is reasonably required by the Directors.

46. A person who wants to be registered must give notice

If a **person** who is *automatically entitled to shares by law* wants to be registered as a **shareholder**, he must deliver or send a notice to the **Company** saying that he has made this decision. He must sign this notice, and it must be in the form, and accompanied by any other documents, which the Directors require. This notice will be treated as a transfer form. All of the provisions of these **Articles** about registering transfers of shares apply to it except that the shares will only be treated as being presented for registration under Article 17.10 when the **Company** receives the notice in the form, and accompanied by any other documents, required by the Directors. The Directors have the same power to refuse to register the automatically entitled **person** as they would have had in deciding whether to register a transfer by the **person** who was previously entitled to the shares.

47. A person who wants to have another person registered must use a transfer form

If a **person** who is *automatically entitled to a share by law* wants the share to be transferred to another **person**, he must do the following:

- for a share in **certificated form** sign a transfer form to the **person** he has selected; and

- for a share in **uncertificated form** transfer such share using a **relevant system**.

The Directors have the same power to refuse to register the **person** selected as they would have had in deciding whether to register a transfer by the **person** who was previously entitled to the shares.

48. The rights of people automatically entitled to shares by law

48.1 A **person** who is *automatically entitled to a share by law* is entitled to any dividends or other money relating to the share, even though he is not registered as the holder of that share. But the Directors can withhold the dividend and other money until a **person** has been properly registered as the **shareholder** as laid down in the **Articles**. They can also withhold the dividend if the **person** who was previously entitled to the share could have had his dividend withheld.

48.2 Unless and until he is registered as the holder of the share the **person** *automatically entitled to a share by law* is not entitled:

- to receive notices of meetings;
- to attend or vote at meetings; or
- (*subject to Article 48.1*) to receive any of the other rights and benefits of being a **shareholder**.

SHAREHOLDERS WHO CANNOT BE TRACED

49. Shareholders who cannot be traced

49.1 If:

- during a 12 year period, at least three dividends have been payable in respect of any shares and none has been claimed; and
- after this 12-year period, the **Company** announces that it intends to sell the relevant shares by placing an advertisement in a national newspaper and in a newspaper appearing in the area which includes the address held by the **Company** for serving notices relating to the relevant shares; and
- during this 12-year period, and for three **months** after the last advertisement appears, the **Company** has not heard from the **shareholder** or any **person** who is *automatically entitled to the relevant shares by law*.

then the **Company** can sell the relevant shares at the best price reasonably obtainable.

49.2 To sell any shares in this way, the **Company** can appoint any **person** to transfer the shares. This transfer will be just as effective as if it had been signed or **made effective** in some other way by the registered holder of the shares, or by a **person** who is *automatically entitled to the shares by law*. The ownership of the **person** to whom the shares are transferred will not be affected even if the sale is irregular or invalid in any way. Nor does the new holder of the shares need to take any steps to see how any money he may be paying for the shares is used.

49.3 The net sale proceeds belong to the **Company** until claimed under this Article 49, but it must **pay** these to the **shareholder** who could not be traced, or to the **person** who is *automatically entitled to his shares by law*, if that **shareholder**, or that other **person**, asks for it.

49.4 The **Company** must record the name of that **shareholder**, or the **person** who was *automatically entitled to the shares by law*, as a creditor for the net sale proceeds in its

accounts. The net sale proceeds are not held on *trust*, and no interest is payable on the net sale proceeds. The **Company** can keep any money which it has earned on the net sale proceeds. The **Company** can use the net sale proceeds for its business, or it can invest the net sale proceeds in any way that the Directors decide, other than in the **Company's** shares, or in the shares of any *holding company* of the **Company**.

- 49.5 In the case of **uncertificated shares**, this Article is *subject to* any restrictions which apply under the **CREST Regulations**.

GENERAL MEETINGS

50. The Annual General Meeting

Except as provided in the **legislation**, each **year** the **Company** must hold an *Annual General Meeting*, in addition to any other *General Meetings* which are held in the **year**. The notice calling the meeting must say that the meeting is the *Annual General Meeting*. The Directors will decide when and where to hold the *Annual General Meeting*. The *Annual General Meeting* must be held within the six month period beginning with the day following the **Company's** accounting reference date.

51. (Not in use)

52. Calling General Meetings

- 52.1 The Directors can decide to call a *General Meeting* at any time. *General Meetings* must be called promptly in response to a *requisition* by **shareholders** under the **legislation**. If a *General Meeting* is not called in response to such a request by **shareholders**, it can be called by the **shareholders** who requested the *General Meeting* in accordance with the **legislation**. A *General Meeting* requisitioned in this way by **shareholders** shall be called in the same manner as nearly as possible to that in which *General Meetings* are called by the Directors. The Directors must decide when and where to hold a *General Meeting*.

- 52.2 If there are insufficient Directors to form a quorum to hold a board meeting in order to call a *General Meeting requisitioned* by **shareholders** any Director may call a *General Meeting*. If there are no Directors any *member* of the **Company** may call such a *General Meeting*.

53. Notice of General Meetings

- 53.1 An *Annual General Meeting* and all other *General Meetings* will be called by at least such minimum period of notice as is prescribed or permitted under the Acts.

- 53.2 Any notice of *General Meeting* shall include the following details:

- the place where the meeting is to be held;
- the date and time of the meeting;
- the general nature of the business of the meeting; and
- whether the meeting is an *Annual General Meeting* or a *General Meeting*.

- 53.3 Notices of meetings must be given to the **shareholders**, except in cases where the **Articles** or the rights attached to shares state that the holders are not entitled to receive them from the **Company**. Notice must also be given to the **Company's** auditors.

- 53.4 The **Company** can decide that only **people** who are entered on the **Register** at the close of business on a particular day are entitled to receive such a notice. That day shall be a day chosen by the **Company** and falling not more than 21 days before the notice is sent.

- 53.5** Where the **Company** has given an electronic address in any notice of *General Meeting*, any document or information relating to proceedings at the *General Meeting* may be sent by **electronic means** to that address, *subject to* any conditions or limitations specified in the relevant notice of *General Meeting*.
- 53.6** Where any **person** entitled to receive notice of a meeting does not receive notice because of an accidental omission, or failure to give notice due to circumstances beyond the Company's control, or non-receipt of the notice, this shall not invalidate the proceedings at that meeting.
- 53.7** Where, by reason of any suspension or curtailment of postal services, the **Company** is unable effectively to give notice of a *General Meeting*, the Directors may decide that the only persons to whom notice of the affected *General Meeting* must be sent are: the Directors; the **Company's** auditors; those **shareholders** to whom notice to convene the *General Meeting* can validly be sent by **electronic means** and those **shareholders** to whom notification as to the availability of the notice of meeting on a website can validly be sent by **electronic means**. In any such case the **Company** shall also:
- (a) advertise the *General Meeting* in at least two national daily newspapers published in the **United Kingdom**; and
 - (b) send or supply a confirmatory copy of the notice to **shareholders** in the same manner as it sends or supplies notices under Article 138.1 if at least seven clear days before the meeting the posting of notices again becomes practicable.
- 54.** A General Meeting can be moved at short notice

Subject to the Acts, if the Directors consider that it is impractical, or unreasonable, to hold a *General Meeting* at the place stated in the notice calling the meeting, they can move or postpone the meeting, or do both of these things. If the Directors do this, an announcement of the date, time and place of the rearranged meeting will, if practical and *subject to* the Acts, be published in at least two **United Kingdom** national newspapers in which case notice of the business of the meeting does not need to be given again. The Directors must take reasonable steps to ensure that any **shareholder** trying to attend the meeting at the original time and place is informed of the new arrangements. If a meeting is rearranged in this way, **proxy forms** can be delivered, in the way required by Article 75, until 48 hours before the rearranged meeting. Subject to the Acts, the Directors can also move or postpone the rearranged meeting, or both, under this Article 54.

PROCEEDINGS AT GENERAL MEETINGS

- 55.** The chairman of a General Meeting
- 55.1** The Chairman of the Directors will be the chairman at every *General Meeting* if he is willing and able to take the chair.
- 55.2** If the **Company** does not have a Chairman, or if the Chairman is not willing and able to chair the meeting, a Deputy Chairman will chair the meeting if he is willing and able to take the chair.
- 55.3** If the **Company** does not have a Chairman or a Deputy Chairman, or if neither the Chairman or any Deputy Chairman are willing and able to chair the meeting, after waiting 15 minutes from the time that a meeting is due to start, the Directors who are present will choose one of themselves to act as chairman. If there is only one Director present, he will be chairman, if he agrees.
- 55.4** If there is no Director willing and able to be chairman, or if no Director is present within 15 minutes of the time fixed for the meeting, then the **shareholders** who are personally present at the meeting and entitled to vote will decide which one of them is to be chairman.

55.5 To avoid any doubt, nothing in the **Articles** restricts or excludes any of the powers, or rights of a chairman of a meeting which are given by the general law.

56. Security and other arrangements at General Meetings

Either the chairman of a meeting, or the **Company Secretary**, can take any action he considers appropriate (either before or during the *General Meeting* in question) for:

- the safety of people attending a *General Meeting*;
- proper and orderly conduct at a *General Meeting*; or
- the meeting to reflect the wishes of the majority.

57. Attendance and participation at different places and by electronic means

57.1 In the case of any *General Meeting*, the Directors may, notwithstanding the specification in the notice convening the *General Meeting* of the place at which the chairman of the meeting shall preside (the "**Principal Place**"), make arrangements for simultaneous attendance and participation by **electronic means** allowing persons not present together at the same place to attend, speak and vote at the meeting (including the use of satellite meeting places). The arrangements for simultaneous attendance and participation at any place at which persons are participating, using **electronic means** may include arrangements for controlling or regulating the level of attendance at any particular venue provided that such arrangements shall operate so that all **shareholders** and *proxies* wishing to attend the meeting are able to attend at one or other of the venues.

57.2 The **shareholders** or *proxies* at the place or places at which persons are participating via **electronic means** shall be counted in the *quorum* for, and be entitled to vote at, the *General Meeting* in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that the **shareholders** or *proxies* attending at the places at which persons are participating via **electronic means** are able to:

- (a) participate in the business for which the meeting has been convened; and
- (b) see and hear all persons who speak (whether through the use of microphones, loud speakers, audiovisual communication equipment or otherwise) in the Principal Place (and any other place at which persons are participating via **electronic means**).

For the purposes of all other provisions of these articles (unless the context requires otherwise), the **shareholders** shall be treated as meeting at the Principal Place.

If it appears to the chairman of the meeting that the facilities at the Principal Place or any place at which persons are participating via electronic means have become inadequate for the purposes set out in sub-paragraphs (a) and (b) above, the chairman of the meeting may, without the consent of the meeting, interrupt or adjourn the General Meeting. All business conducted at the General Meeting up to the point of the adjournment shall be valid. The provisions of Article 60.3 shall apply to that adjournment.

58. The quorum needed for meetings

Before a *General Meeting* starts to do business, there must be a *quorum* present. If there is not, the meeting cannot carry out any business. Unless the **Articles** say otherwise, a *quorum* for all purposes is two **people** who are entitled to vote. They can be personally present or *proxies* for **shareholders** or **company representatives** or a combination of **shareholders** personally present, *proxies* and **company representatives**. Two persons who are *proxies* or corporate representatives of the same shareholder shall be a *quorum*.

59. The procedure if there is no quorum

59.1 This Article 59 applies if a *quorum* is not present within 30 minutes of the time fixed for a *General Meeting* to start or within any longer period which the chairman of the meeting may decide on or if during a meeting a *quorum* ceases to be present.

59.2 If the meeting was called by **shareholders** it is dissolved. Any other meeting is *adjourned* to such day, time and place as (subject to the provisions of the Acts) the chairman may determine or if the chairman states that the day, time and place is to be fixed by the Directors, as the Directors may determine.

59.3 If at the *adjourned* meeting a *quorum* is not present within 15 minutes of the time fixed for it, the meeting is dissolved.

60. Adjourning meetings

60.1 The chairman of a *General Meeting* can *adjourn* the meeting, before or after it has started, and whether or not a *quorum* is present, if he considers that:

- there is not enough room for the number of **shareholders** who wish to attend the meeting;
- the behaviour of the people present prevents, or is likely to prevent, the business of the meeting being carried out in an orderly way;
- an adjournment is necessary to protect the safety of any person attending the meeting; or
- an *adjournment* is necessary for any other reason, so that the business of the meeting can be properly carried out.

The chairman does not need the consent of the meeting to *adjourn* it for any of these reasons to a time, date and place which he proposes. This includes an indefinite *adjournment*. The *adjournment* will be to another time, which may be later on the same day as the meeting, and can be to another place. The chairman will decide on these matters.

60.2 The chairman of a *General Meeting* can also *adjourn* a meeting which has a *quorum* present, if this is agreed by the meeting. This can be to a time, date and place proposed by the chairman. It includes an indefinite *adjournment*. The chairman must *adjourn* the meeting if the meeting directs him to. In these circumstances the meeting will decide how long the *adjournment* will be, and where it will *adjourn* to. If a meeting is *adjourned* indefinitely, the Directors will fix the time, date and place of the *adjourned* meeting.

60.3 *General Meetings* can be *adjourned* more than once. Subject to the provisions of the Acts, it shall not be necessary to give notice of an *adjourned* meeting except that when a meeting is *adjourned* for more than 28 days or indefinitely, at least seven **clear days'** notice must be given for the *adjourned* meeting in the same way as was required for the original meeting. Subject to the provisions of the Acts, if a meeting is *adjourned* for less than 28 days, there is no need to give notice about the *adjourned* meeting, or about the business to be considered there.

60.4 An *adjourned General Meeting* can only deal with business that could have been dealt with at the original meeting before it was *adjourned*.

61. Amending resolutions

If the Chairman, acting in good faith, rules an amendment to a resolution out of order, any error in that ruling will not affect the validity of a vote on the original resolution.

VOTING PROCEDURES

62. How votes are taken

62.1 At any *General Meeting* a resolution put to the vote of the meeting shall be decided on a *show of hands* unless either the notice of the meeting specifies that a *poll* will be called on such resolution or a *poll* is (before the resolution is put to the vote on a *show of hands*, or on the declaration of the result of the *show of hands*) demanded by:

- the chairman of the meeting;
- a majority of the Directors present at the meeting;
- at least five **shareholders** at the meeting who are entitled to vote (including *proxies* for **shareholders** entitled to vote);
- one or more **shareholders** at the meeting who are entitled to vote (including *proxies* for **shareholders** entitled to vote) and who have, between them, at least 10 per cent of the total votes of all **shareholders** who have the right to vote at the meeting (excluding any voting rights attached to any shares in the Company held as **treasury shares**); or
- one or more **shareholders** who have shares which allow them to vote at the meeting (including *proxies* for **shareholders** entitled to vote), where the total amount which has been paid up on these shares is at least 10 per cent of the total sum paid up on all shares which give the right to vote at the meeting (excluding any shares in the Company conferring a right to vote at the meeting which are held as treasury shares).

62.2 A **proxy form** gives the *proxy* the authority to demand a *poll*, or to join others in demanding one. A demand for a *poll* made by a *proxy* for a **shareholder** is treated in the same way as a demand by the **shareholder** himself. Unless his appointment otherwise provides, the *proxy* may vote or abstain at his discretion on any matter coming before the meeting on which *proxies* are entitled to vote.

62.3 A demand for a *poll* can be withdrawn if the chairman of the meeting agrees to this. If a *poll* is demanded, and this demand is then withdrawn, any declaration by the chairman of the result of a vote on that resolution by a *show of hands*, which was made before the *poll* was demanded, will stand.

63. How a poll is taken

63.1 If a *poll* is demanded in the way allowed by the **Articles**, the chairman of the *General Meeting* decides where, when and how it will be carried out. The result is treated as the decision of the meeting where the *poll* was demanded, even if the *poll* is carried out after the meeting.

63.2 The chairman can:

- decide that a ballot or voting papers or tickets will be used;
- appoint scrutineers (who need not be **shareholders**);
- *adjourn* the meeting to a day, time and place which he decides on for the result of the *poll* to be declared; or
- decide a time and place where the result of the *poll* will be declared.

63.3 If a *poll* is called, a **shareholder** can vote either personally or by his *proxy*. If a **shareholder** votes on a *poll*, he does not have to use all of his votes or cast all his votes in the same way.

64. When there cannot be a poll

A *poll* is not allowed on a vote to elect a chairman of a *General Meeting*, nor is a *poll* allowed on a vote to *adjourn* a meeting, unless the chairman of the meeting demands a *poll*. Any such *poll* is to be taken immediately.

65. A meeting continues after a poll is demanded

A demand for a *poll* on a particular matter does not stop a meeting from continuing and dealing with other matters.

66. Timing of a poll

Subject to Article 64, any *poll* can either be taken immediately at the meeting or within 30 days of the poll being demanded and at a place decided on by the chairman. No notice is required for a *poll* which is not taken immediately if the time and place at which it is to be taken are announced at the *General Meeting* at which it is demanded. If the time and place at which the *poll* is to be taken is not announced at the meeting at which it is demanded seven **clear days'** notice must be given of the time and place at which the *poll* is to be taken.

67. (Not in use)

68. The effect of a declaration by the chairman

The following applies when there is a vote by a *show of hands*, and no *poll* is demanded, or any demand for a *poll* is subsequently withdrawn. Any declaration by the chairman on a point of order is conclusive. In addition, a corresponding entry in the minute book is conclusive proof of the following declarations by the chairman of the *General Meeting*:

- a resolution has been carried;
- a resolution has been carried unanimously;
- a resolution has been carried by a particular majority;
- a resolution has not been carried by a particular majority;
- a resolution has been lost; or
- a resolution has been lost by a particular majority.

There is no need to prove the validity, number, or proportion of votes recorded for or against a resolution.

VOTING RIGHTS

69. The votes of shareholders

69.1 Subject to any special rights or restrictions which are given by any class of shares by, or in accordance with the **Articles**:

- (a) on a *show of hands*:
 - (i) every member who is present in person has one vote;
 - (ii) every *proxy* present who has been duly appointed by one or more shareholders entitled to vote on the resolution has one vote, except that if the *proxy* has been duly appointed by more than one shareholder entitled to vote on the resolution and is instructed by one or more of those shareholders to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those shareholder

to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he has one vote for and one vote against the resolution; and

- (iii) every **company representative** present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to;
- (b) on a *poll* every shareholder present in person or by duly appointed *proxy* or **company representative** has one vote for every share of which he is the holder or in respect of which his appointment as *proxy* or **company representative** has been made; and
- (c) a shareholder, *proxy* or **company representative** entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way.

69.2 To decide who can attend or vote at a *General Meeting* and how many votes can be cast, the notice of the meeting can give a time by which people must be entered on the **Register** in order to be entitled to attend or vote at the meeting. This time must not be more than 48 hours before the time fixed for the meeting (and for this purpose no account shall be taken of any part of a day that is not a working day).

70. Shareholders who owe money to the Company

Unless the **Articles** say otherwise, the only people who can attend or vote at *General Meetings* or exercise any other right conferred by being a **shareholder** in relation to *General Meetings*, are **shareholders** who have paid the **Company** all *calls*, and all other sums, relating to their shares which are due at the time of the meeting. This applies both to attending a meeting personally and to attending by *proxy* or **company representative**.

71. Suspension of rights on non-disclosure of interest

71.1 This Article 71 applies if any **shareholder**, or any **person** appearing to be **interested** in shares held by such **shareholder**, has been properly served with a notice under Section 793 of the **2006 Act**, requiring information about **interests** in shares, and has failed for a period of 14 days from the date of the notice to supply to the **Company** the information required by that notice. Then (*subject to* the provisions of this Article 71 and unless the Directors otherwise decide) the **shareholder** is not (for so long as the failure continues) entitled to attend or vote either personally or by *proxy* or by a **company representative** at a **shareholders' meeting** or to exercise any other right in relation to **shareholders' meetings** as holder of:

- the shares in relation to which the default occurred (called **default shares**);
- any further shares which are *issued* in respect of **default shares**; and
- any other shares held by the **shareholder** holding the **default shares**.

71.2 Any **person** who acquires shares *subject to* restrictions under Article 71.1 is *subject to* the same restrictions, unless:

- the transfer was an **approved transfer** (see Article 71.9); or
- the transfer was by a **shareholder** who was not himself in default in supplying the information required by the notice under Article 71.1 and a certificate in accordance with Article 71.3 was provided.

71.3 Where the **default shares** represent 0.25 per cent or more of the **existing shares** of a class (excluding any **equity shares** in the **Company** held as **treasury shares**) the Directors can in their absolute discretion by a notice (a **Section 793 Notice**) to the **shareholder** direct that:

- any dividend or part of a dividend or other money which would otherwise be payable

on the **default shares** shall be retained by the **Company** (without any *liability to pay* interest when such money is finally paid to the **shareholder**); and/or

- the **shareholder** shall not be entitled to elect to receive shares in place of dividends withheld; and/or
- *subject to* Article 71.4 no transfer of any of the shares held by the **shareholder** shall be registered unless:
 - either the transfer is an **approved transfer** (see Article 71.9);
 - or the **shareholder** is not himself in default as regards supplying the information required; and (in this case)
 - the transfer is of part only of his holding; and
 - when presented for registration, the transfer is accompanied by a certificate by the **shareholder** in a form satisfactory to the Directors which states that after due and careful enquiry the **shareholder** is satisfied that none of the shares included in the transfer are **default shares**.

71.4 Any **Section 793 Notice** can treat shares of a **shareholder** in **certificated** and **uncertificated form** as separate shareholdings and either apply only to shares in **certificated form** or to shares in **uncertificated form** or apply differently to shares in **certificated** and **uncertificated form**. In the case of shares in **uncertificated form** the Directors can only use their discretion to prevent a transfer if this is allowed by the **CREST Regulations**.

71.5 The **Company** must send a copy of the **Section 793 Notice** to each other **person** who appears to be **interested** in the shares covered by the notice, but, if it fails to do so, this does not invalidate such notice.

71.6 A **Section 793 Notice** has the effect which it states while the default resulting in the notice continues. It then ceases to apply when the Directors decide (which they must do within one week of the **Company** receiving the information requested by the notice). The **Company** must give the **shareholder** written notice of the Directors' decision.

71.7 A **Section 793 Notice** also ceases to apply to any shares which are transferred by a **shareholder** in a transfer which would be permitted under Article 71.3.

71.8 For the purposes of this Article 71 a **person** is treated as appearing to be **interested** in any shares if the **shareholder** holding such shares has been served with a notice under Section 793 of the **2006 Act** and:

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

71.9 For the purposes of this Article 71 a transfer of shares is an **approved transfer** if:

- it is a transfer of shares to an offeror under an acceptance of a *takeover offer* (within the meaning of section 974 of the **2006 Act**); or
- the Directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the *beneficial ownership* of the shares to a party unconnected with the **shareholder** or with any **person** appearing to be **interested** in the shares. This includes such a sale made through the **London Stock Exchange** or any other stock

exchange outside the **United Kingdom** on which the **Company's** shares are normally traded. For this purpose any associate (as that term is defined in Section 435 of the Insolvency Act 1986) is included amongst the **persons** who are connected with the **shareholder** or any **person** appearing to be **interested** in the shares.

71.10 For the purposes of this Article 71 "**interested**" shall be construed in the same way as it is for the purpose of Section 793 of the **2006 Act**.

71.11 For the purposes of this Article 71 reference to a **person** having failed to give the **Company** the information required by a **Section 793 Notice**, or being in default as regards supplying such information, includes:

- reference to his having failed or refused to give all or any part of it;
- reference to his having given information which he knows to be false in a material way or having recklessly given information which is false in a material way.

71.12 This Article 71 does not restrict in any way the provisions of the **2006 Act** which apply to failures to comply with notices under Section 793 of the **2006 Act**.

72. Votes of shareholders who are of unsound mind

72.1 This Article 72 applies where:

- a **shareholder** is of unsound mind; and
- a court which claims jurisdiction to protect people who are unable to manage their own affairs has made an order detaining a **shareholder** or appointing a **person** to manage his property or affairs.

72.2 The **person** or people appointed to act for the **shareholder** can vote for the **shareholder** and exercise other rights at *General Meetings*. This includes appointing a *proxy*, voting on a *show of hands*, and voting on a *poll*. However, this Article 72 only applies if any evidence which the Directors may require of their authority to do these things is delivered to the office where the **Register** is kept (or at any other place which may be specified in accordance with these **Articles**) at least 48 hours before the relevant meeting (or *adjourned* meeting).

73. The votes of joint holders

Where a share is held by joint **shareholders** any one joint **shareholder** can vote at a *General Meeting* (either personally or by *proxy*). If more than one of the joint **shareholders** votes (either personally or by *proxy*), the only vote which will count is the vote of the **person** whose name is listed before the other voters on the **Register** for the share.

PROXIES

74. Completing proxy forms

74.1 The Directors may (and shall if and to the extent that the Company is required to do so by the Acts) allow a **proxy form** to be sent or supplied in **electronic form** subject to any conditions or limitations as the Directors may specify. Where the **Company** has given an electronic address in any instrument of proxy or invitation to appoint a proxy, any document or information relating to proxies for the *General Meeting* (including any document necessary to show the validity of the appointment of a proxy, or notice of the termination of the authority of a proxy) may be sent by **electronic means** to that address, *subject to* any conditions or limitations specified in the relevant notice of *General Meeting*.

74.2 A **proxy form** must be in writing. A **proxy form** given by an individual must be signed by the **shareholder** appointing the *proxy*, or by an agent who has been properly appointed in writing.

If a *proxy* is appointed by a **company**, the form should be either sealed with the **company's seal** or signed by an **officer** or an agent who is properly authorised to act on behalf of the **company**. Unless the contrary is shown, the Directors are entitled to assume that, where a **proxy form** purports to have been signed by an **officer** or agent of a **company**, such **officer** or agent was duly authorised by such **company** without requiring any further evidence. Signatures need not be witnessed.

74.3 All notices convening *General Meetings* which are sent to **shareholders** entitled to vote at the *General Meeting* must, at the expense of the **Company**, be accompanied by a **proxy form**. The **proxy form** must make provision for two-way voting on all resolutions intended to be proposed, other than resolutions which are merely procedural.

74.4 The accidental omission to send out a **proxy form** to a **shareholder** entitled to it (or non-receipt by him of the **proxy form**) will not invalidate any resolution passed or proceedings at the *General Meeting* to which the **proxy form** relates.

74.5 A **shareholder** may appoint more than one *proxy* in relation to a meeting, provided that each *proxy* is appointed to exercise the rights attached to a different share or shares held by the **shareholder**. References in these articles to an appointment of *proxy* include references to an appointment of multiple *proxies*. Delivery of the **proxy form** does not prevent a **shareholder** from attending and voting at the meeting or at any *adjournment* of it.

74.6 A *proxy* need not be a **shareholder**.

75. Delivering proxy forms

75.1 A **proxy form** must be delivered to the place or if applicable, the electronic address stated in the notice of *General Meeting*, or in the **proxy form**, or, if no place or electronic address is stated, to the office where the **Register** is kept. It must be received at least:

- 48 hours before a *General Meeting*, or an *adjourned* meeting; or
- 24 hours before the time appointed for the taking of the *poll* (or such shorter time as the Directors may determine), if the *poll* is taken subsequently to the date of the *General Meeting* or *adjourned* meeting.

The Directors may specify in the notice convening the meeting that in determining the time for receipt of proxies pursuant to this Article 75.1, no account shall be taken of any part of a day that is not a working day.

75.2 If a **proxy form** is signed by an agent, the *power of attorney* or other authority relied on to sign it, or a copy which has been certified, must be delivered with the **proxy form**, unless the *power of attorney* has already been registered with the **Company**.

75.3 If Articles 75.1 and 75.2 are not complied with, the *proxy* will not be able to act for the **person** who appointed him.

75.4 Where two or more **proxy forms** are delivered for use by the same shares, the one which has been delivered last (regardless of when it was signed or by what means it was delivered) shall be treated as replacing and *revoking* the others which have been delivered. If the **Company** cannot decide which form was delivered last, none of the forms shall be valid.

75.5 Unless the **proxy form** says otherwise, it will be valid at an *adjourned General Meeting* as well as for the original *General Meeting* to which it relates.

75.6 A **shareholder** can attend and vote at a *General Meeting* on a *show of hands* or on a *poll* even if he has appointed a *proxy* to attend and vote at that meeting. However, if he votes in **person** on a resolution, then as regards that resolution his appointment of a *proxy* will not be

valid.

76. Cancellation of a proxy's authority

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

- the **person** who appointed the *proxy* has died or is of unsound mind;
- the **proxy form** has been *revoked*; or
- the authority of the **person** who signed the **proxy form** for the **shareholder** has been *revoked* or varied.

76.2 However, this does not apply if notice of the fact has been received in writing at the office where the **Register** is kept (or at such other place at which the *proxy* was validly deposited in accordance with Article 75.1, and *subject to* any conditions attached to the use of a particular address imposed under that Article) at least one hour before:

- the *General Meeting* or *adjourned* meeting starts; or
- the time fixed to take a *poll* on a later day.

77. (Not in use)

78. Representatives of companies

78.1 Subject to the provisions of the Acts, a **company** which is a **shareholder** can authorise a **person or persons** to act as its representative at any *General Meeting* which it is entitled to attend. This **person** is called a **company representative**. The directors of that **company** must pass a resolution to appoint the **company representative**. If the governing body of that **company** is not a board of directors, the resolution can be passed by its governing body. That company shall for the purposes of these articles be deemed present in person at any such General Meeting if a **person** or **persons** so authorised is present at it.

78.2 The Directors can require evidence of the authority of a **company representative**.

78.3 Any vote cast by a **company representative**, and any demand by him for a *poll*, is valid even though he is, for any reason, no longer authorised to represent the **company**. However, this does not apply if notice of the fact that he is no longer authorised has been received in writing at the office where the **Register** (or at such other place specified by the Directors) is kept before the deadline which applies to notice of cancellation of *proxies* under Article 76.

78.4 Without limiting the foregoing, in relation to **existing shares (of any kind)** in uncertificated form, the Directors may permit a *proxy* to be appointed in **electronic form** in the form of an **Uncertificated Proxy Instruction**, and may permit any supplement to, or amendment or revocation of, any such **Uncertificated Proxy Instruction** to be made by a further **Uncertificated Proxy Instruction**. The Directors may in addition prescribe the method of determining the time at which any such instruction or notification is to be treated as received by the **Company**. The Directors may treat any such instruction or notification purporting or expressed to be sent on behalf of a **Shareholder** as sufficient evidence of the authority of the person sending the instruction to send it on behalf of that holder.

79. Challenging votes and validity of votes

79.1 Any objection to the right of any **person** to vote must be made at the *General Meeting* (or *adjourned* meeting) at which the vote is cast. This is also true of any objection about the counting of any vote or the failure to count any vote. If a vote is not disallowed at a meeting, it is valid for all purposes. Any objection must be raised with the chairman of the meeting. His

decision is final.

- 79.2** The Company shall not be bound to enquire whether any *proxy* or **company representative** votes in accordance with the instructions given to him by the member he represents and if a *proxy* or **company representative** does not vote in accordance with the instructions of the member he represents the vote or votes cast shall nevertheless be valid for all purposes.

DIRECTORS

- 80.** The number of Directors

There must be at least four Directors (other than **alternate directors**). But the **shareholders** can vary this minimum by passing an *ordinary resolution*. There is no maximum number of Directors.

- 81.** Qualification to be a Director

A Director need not be a **shareholder**. A Director who is not a **shareholder** can still attend and speak at **shareholders' meetings**.

- 82.** Directors' fees

- 82.1** Each of the Directors may be paid a fee for his services. The Directors can decide on the amount, timing and manner of payment of Directors' fees, but the total of the fees paid to all of the Directors (excluding amounts paid as special **pay** under Article 83, amounts paid as expenses under Article 84 and any payments under Article 85) must not exceed:

- £300,000 a year²; or
- any higher sum decided on by an *ordinary resolution* at a *General Meeting*.

- 82.2** Unless an *ordinary resolution* is passed saying otherwise, the fees will be divided between some or all of the Directors in the way that they decide. If they fail to decide, the fees will be shared equally by the Directors, except that any Director holding office as a Director for only part of the period covered by the fees is only entitled to a *pro rata* share.

- 83.** Special pay

- 83.1** The Directors can award special **pay** to any Director who:

- acts in an executive capacity;
- acts as Chairman or Deputy Chairman (whether or not this office is executive or non-executive);
- serves on or acts as chairman to any **committee** of the Directors; or
- performs any other services which the Directors consider to extend beyond the ordinary duties of a Director.

- 83.2** Special **pay** can take the form of salary, commission or other benefits or can be paid in some other way (for example by issuing shares to the Director). This is decided on by the Directors and may be a fixed sum or percentage of profits or otherwise.

- 83.3** Special **pay** is additional to fees paid under Article 82.1.

² By a special resolution passed on 21 April 2002 the amount authorised under Article 82.1 was raised from £300,000 to £500,000 a year and by a special resolution passed on 4 May 2005 the amount authorised under Article 82.1 was raised from £500,000 to £1,000,000.

84. Directors' expenses

The **Company** can also repay to a Director all reasonable expenses incurred:

- to attend **shareholders' meetings**;
- to attend Directors' meetings;
- to attend meetings of **committees** of the Directors; or
- in other ways in connection with the **Company's** business.

85. Directors' pensions and other benefits

85.1 The Directors may (by the establishment of, or maintenance of, schemes or otherwise) provide benefits, whether by:

- the payment of pensions, allowances, or gratuities; or
- insurance; or
- death, sickness or disability benefits; or
- otherwise,

for any Director or any former Director of the **Company** or of any body corporate which is or has been a **subsidiary** of the **Company** or of any predecessor in business of the **Company** or of any such subsidiary, and for any member of his family (including a spouse or civil partner or a former spouse or former civil partner) or for any **person** who is or was dependent on him and may (before as well as after he ceases to hold such office) contribute to any fund and pay premiums for the purchase of provision of any such benefit.

85.2 The Directors can decide to contribute (before as well as after the relevant person ceases to receive a salary or occupy a position for which he receives any form of remuneration) to any scheme or fund or to pay *premiums* to a third party for the purposes referred to in Article 85.1.

85.3 No Director or former Director is accountable to the **Company** or its **shareholders** for a benefit of any kind given in accordance with this Article 85. The receipt of a benefit of any kind given in accordance with this Article 85 does not prevent a **person** from being or becoming a Director.

86. Appointing Directors to various posts

86.1 The Directors can appoint any Director as Chairman, Deputy Chairman or Chief Executive, or to any other executive office they decide on. They can decide on the length of these appointments, and on their terms. *Subject to* the terms of any contract with the **Company**, they can also vary or end such appointments.

86.2 A Director will automatically stop being Chairman, Deputy Chairman or Chief Executive or the holder of any other executive office to which he was appointed under Article 86.1 if he is no longer a Director. If a Director's appointment ends by virtue of this Article 86.2, this does not prejudice any claim for breach of contract against the **Company** which may otherwise apply.

86.3 The Directors can give a Director appointed to an executive post any of the powers which they jointly have as Directors. These powers can be given on terms and conditions decided on by the Directors either in parallel with, or in place of, the powers of the Directors acting jointly. The Directors can change the basis on which such powers are given or withdraw such powers.

CHANGING DIRECTORS

87. Retiring Directors

87.1 At each Annual *General Meeting* any Director who was elected or last re-elected a Director at or before the *Annual General Meeting* held in the third calendar year before the current year shall automatically retire from office.

88. Eligibility for re-election

A retiring Director is eligible for re-election.

89. Re-electing a Director who is retiring

89.1 At the *General Meeting* at which a Director retires he may be re-elected (as long as the Director has not told the **Company** in writing that he does not wish to be re-elected) if the **shareholders** pass an *ordinary resolution* to re-elect the Director.

89.2 A Director retiring at a *General Meeting* retires at the end of that meeting or (if earlier) when a resolution is passed to appoint someone in his place. Where a retiring Director is re-elected he continues as a Director without a break.

90. Election of two or more Directors

A single resolution for the election of two or more Directors is void unless the putting of the resolution in this form has been approved by an earlier procedural vote taken at the *General Meeting*, with no votes cast against.

91. People who can be Directors

91.1 Only the following **people** can be elected as Directors at a *General Meeting*:

- A Director who is retiring at the meeting.
- A **person** who is recommended by the Directors.
- A **person** who has been proposed by a **shareholder** who is entitled to attend and vote at the *General Meeting*.

91.2 A **shareholder** proposing a Director in accordance with Article 91.1 must deliver to the **Registered Office** at least seven days before the *General Meeting*, but not more than 42 days before the meeting (this period includes the date on which the notice is given):

- a signed letter stating that he intends to propose another **person** for election as Director; and
- hard copy confirmation from the **person** to be proposed that he is willing to be elected.

92. The power to fill vacancies and appoint extra Directors

92.1 The Directors can appoint any **person** as an extra director or to fill a *casual vacancy*. Any Director appointed in this way must retire at the first Annual *General Meeting* after his appointment. At this Annual *General Meeting* he can be elected by the **shareholders** as a Director.

92.2 *Subject to* Article 91 at a *General Meeting* the **shareholders** can also pass an *ordinary resolution* to fill a *casual vacancy* or to appoint an extra Director.

92.3 Extra Directors can only be appointed under this Article up to the limit (if any) on the total number of Directors under the **Articles** (or any variation of the limit approved by the **shareholders** under the **Articles**).

93. Removing and appointing Directors by an ordinary resolution

93.1 The **shareholders** can pass an *ordinary resolution* to remove a Director, even though his time in office has not ended. This applies despite anything else said in the **Articles**, or in any agreement between the **Company** and any Director. *Special notice* of the *ordinary resolution* must be given to the **Company** as required by the **legislation**. But if a Director is removed in this way, it will not affect any claim which he may have for damages for breach of any contract of service he may have.

93.2 *Subject to* Article 91, the **shareholders** can pass an *ordinary resolution* to appoint a **person** to replace a Director who has been removed in this way. If no Director is appointed under this Article 93.2, the vacancy can be filled under Article 92.

93.3 Any **person** appointed under Article 93.2 will be treated, for the purposes of determining the time at which he is to retire, as if he had become a Director on the day on which the Director he replaced was last elected.

94. When Directors are disqualified

94.1 Any Director automatically ceases to be a Director in any of the following circumstances:

- If a bankruptcy order is made against him.
- If he makes any arrangement or composition with his creditors or applies for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under the Insolvency Act 1986.
- If he becomes of unsound mind.
- If he has missed Directors' meetings for a continuous period of six **months**, without permission from the Directors, and the Directors pass a resolution stating that he has ceased to be a Director.
- If he is prohibited from being a Director by law.
- If he:
 - (i) gives the **Company** a letter of resignation; or
 - (ii) offers to resign and the Directors pass a resolution accepting the offer.
- If all the other Directors pass a resolution, or sign a notice (and such notice may consist of several copies each signed by one or more Directors), requiring the Director to resign. He will cease to be a Director when the notice is served on him personally, or at this residential address provided to the Company for the purposes of section 165 of the 2006 Act. But if a Director is removed in this way this is an act of the **Company** which does not affect any claim for damages for breach of any contract of service which he may have.
- If he holds any executive office and his appointment as such is terminated or expires and the Directors resolve that his office should be vacated.

94.2 When a Director stops being a Director for any reason, he will also (unless the Directors otherwise determine) automatically cease to be a member of any **committee**. Removal from office will be without prejudice to any claim which he or the **Company** might bring in relation to any contract of service between him and the **Company**.

DIRECTORS' MEETINGS

95. Directors' meetings

The Directors can decide when to have meetings and how they shall be conducted, and on the *quorum*. They can also *adjourn* their meetings.

96. Who can call Directors' meetings

A meeting can be called by any Director. The **Company Secretary** must also call a meeting if a Director requests a meeting.

97. How Directors' meetings are called

Meetings are called by serving a notice on all the Directors. This notice may be given to a Director personally, by word of mouth, by notice in writing (sent to him at his last known address) or by **electronic form** (sent to him at his last known electronic **address** or fax number). A Director absent or intending to be absent from the **United Kingdom** may request of the Directors that notices of Directors' meetings shall during his absence in addition or in place of any **electronic means** be sent in hard copy form to him (or to his alternate) to an address given by him to the Company for this purpose, but if no such request is made it shall not be necessary to give notice of a Directors' meeting to any Director who is for the time being absent from the **United Kingdom**. The **Company** does not have to give such a Director any longer period of notice than he is entitled to when he is in the **United Kingdom**. Any Director can waive notice of any meeting, including one which has already taken place.

98. Quorum

98.1 If no other *quorum* is fixed, two Directors are a *quorum* and for these purposes (i) the presence of a *quorum* shall be determined separately in relation to each matter or resolution to be considered or voted on at the meeting; and (ii) two Directors (if no other *quorum* is fixed) are a *quorum* for the purposes of determining if a meeting is quorate at the outset without regard at that point to whether the meeting will be quorate in relation to each separate matter or resolution to be considered or voted on at the meeting. A meeting at which a *quorum* is present can *exercise* all the powers and discretions of the Directors.

98.2 A person who holds office only as an **alternate director** shall, if his appointor is not present, be counted in the *quorum*

98.3 A Director who ceases to be a Director at a Directors' meeting can continue to be present and act as a director and be counted in the *quorum* until the end of that meeting if no other Director objects and a *quorum* would not otherwise be present.

99. The chairman of Directors' meetings

The Directors can elect any Director as Chairman or as one or more Deputy Chairmen for such periods as the Directors decide. If the Chairman is at a meeting, he will chair it. In his absence, the chair will be taken by a Deputy Chairman, if one is present. If more than one Deputy Chairman is present, the most senior Deputy Chairman will take the chair, unless the Directors decide otherwise. If there is no Chairman or Deputy Chairman present, or if neither of them is willing to act as chairman, within ten minutes of the time when the meeting is due to start, the Directors who are present can choose which one of them will chair the meeting.

100. Voting at Directors' meetings

Matters for decision which arise at a Directors' meeting will be decided by a majority vote. If votes are equal, the chairman of the meeting has a second, casting vote.

101. Directors can act even if there are vacancies

101.1 The remaining Directors can continue to act even if one or more of them ceases to be a Director. But if the number of Directors falls below the minimum which applies under Article 80 (including any variation of such minimum approved by an *ordinary resolution* of **shareholders**), the remaining Director(s) can only:

- either appoint further Directors to make up the shortfall; or
- convene a *General Meeting*.

101.2 If no Director or Directors are willing or able to act under this Article 101, any two **shareholders** can call a *General Meeting* to appoint extra Directors.

102. Directors' meetings by video conference and telephone

102.1 Any or all of the Directors, or members of a **committee**, can take part in a meeting of the Directors or of a **committee** by way of a video conference or conference telephone, or similar equipment, designed to allow everybody to take part in the meeting.

102.2 Taking part in this way will be counted as being present at the meeting. A meeting which takes place by way of video conference, conference telephone or similar equipment will be treated as taking place where most of the participants are present. If there is no largest group, meetings will be treated as taking place where the chairman is present.

102.3 A meeting held in the way described in Article 102.1 will be valid as long as a *quorum* is present in one single place, or in places connected by way of video conference, telephone conference, or similar equipment.

103. Resolutions in writing

A resolution in writing signed or approved by all of the Directors who are entitled to receive notice of a Directors' meeting or by all members of a **committee** entitled to receive notice of a meeting of a **committee** (if that number is sufficient to constitute a quorum) is just as valid and effective as a resolution passed by those Directors or **committee** members at a meeting or **committee** meeting which is properly called and held. For the purposes of this Article 103, a resolution in writing may be signed or approved by:

- letter;
- fax; or
- **electronic means** provided that in this case the approval is sent by the relevant Director or **committee** member (i) to the electronic **address** for the time being notified by the Company to the Directors or **committee** members for the purpose of signifying approval to resolutions in writing and (ii) from the electronic **address** for the time being notified to the Company by the relevant Director or **committee** member for such purpose.

103.1 The resolution can be passed using several copies of a document, if each document is signed or approved by one or more Directors or **committee** members. A resolution signed or approved by an **alternate director** need not also be signed or approved by his appointor. Also, a resolution signed or approved by an appointor of an **alternate director** need not also be signed or approved by that alternate in that capacity.

103.2 A written resolution will be valid at the time it is signed or approved by the last Director or **committee** member.

104. (Not in use)

DIRECTORS' INTERESTS

105. Directors' interests

105.1 If the **legislation** allows and he has disclosed the nature and extent of his interest to the Directors, a Director can:

- have any kind of interest in any existing or proposed contract, transaction or arrangement with or involving the **Company**;
- have any kind of interest in any existing or proposed contract, transaction or arrangement with, or otherwise interested in, another **company** (including being a director, **officer** or employee) in which the **Company** has some interest;
- alone (or through some firm or other organisation with which he is associated) do paid professional work for, be a director or other officer of, or be employed by another **company** in which the **Company** has some interest (other than as Auditor).

105.2 A Director does not have to hand over to the **Company** any benefit he receives, nor will he be in breach of his duty to the Company to avoid a situation in which he has or can have a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the **Company**, as a result of anything allowed under Article 105.1. No contract, transaction or arrangement of the type described above will be liable to be avoided on the grounds of any Director's interest or benefit.

105.3 If the **legislation** allows, the Directors can, in accordance with the **legislation**, and any further terms and conditions which they choose to impose at any time (but they will still have the right to reconsider, change or revoke any authorisation given under this Article 105.3) authorise:

- anything which would otherwise give rise to a Director being in a situation in which he has, or can have, a direct or indirect interest that conflicts, or may conflict, with the interests of the **Company** and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and a duty or conflict of duties); and
- a Director to accept or remain in any office, employment or position as a director or other officer in another **company** in addition to his office as a director of the **Company**, and may authorise the way in which a conflict of interest arising from such office is dealt with, either before or at the time that it arises,

but, the authorisation is only effective if -

- any requirement as to the *quorum* at the meeting at which the matter is considered is met without counting the Director in question or any other interested Director, and
- the matter was agreed to without any vote of theirs being counted.

105.4 If a matter, or office, employment or position has been authorised under this Article 105.3 then (subject to any further terms and conditions which the Directors may choose to impose from time to time, and to their right to reconsider, change or revoke such authorisation or the permissions set out below):

- the Director will not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the **Company**, if this would be a breach of a duty or a confidentiality obligation owed by him in relation to that matter, or that office, employment or position;

- the Director may choose not to attend discussions (in meetings of the Directors or otherwise) and exclude himself from information which will or may relate to that matter, or that office, employment or position; and
- a Director does not have to hand over to the **Company** any benefit he receives from any such matter, or from any such office, employment or position authorised under Article 105.3.

105.5 If the **Company** holds or owns shares in another **company**, the Directors can *exercise* votes attached to such shares or if any of the Directors are Directors of such other **company**, they may vote as Directors of that other **company** in such manner as they think fit.

106. When Directors can vote on things which they are interested in

106.1 Unless the **Articles** say otherwise, a Director cannot cast a vote on any contract, arrangement or any other kind of proposal in which he has an interest, and which he knows is a material one. Interests purely as a result of an interest in the **Company's** shares, **debentures** or other *securities* are disregarded. In relation to an **alternate director** an interest of his appointor shall be treated as an interest of the **alternate director**. This is in addition to any interest which the **alternate director** has in his own right. A Director may not be included in the *quorum* of a meeting in relation to any resolution he is not allowed to vote on.

106.2 **But**, if the **legislation** allows this, a Director can vote, and be counted in the *quorum*, on any resolution about any of the following things, as long as the only material interests he has in it are included in the following list:

- a resolution about giving him, or any other **person**, any security, guarantee or *indemnity* for any money which he, or that other **person**, has lent at the request of, or for the benefit of the **Company** or any of its **subsidiaries**;
- a resolution about giving him, or any other **person**, any security, guarantee or *indemnity* for any *liability* which he, or that other **person**, has incurred at the request of, or for the benefit of, the **Company** or any of its **subsidiaries**;
- a resolution about giving any security, guarantee or *indemnity* to any other **person** for a debt or obligation which is owed by the **Company**, or any of its **subsidiaries**, to that other **person**, if the Director has taken responsibility for some or all of that debt or obligation. The Director can take this responsibility by giving a guarantee, *indemnity* or security;
- a resolution about any proposal relating to an offer of any shares or **debentures**, or other *securities* for subscription or purchase by the **Company**, or any of its **subsidiaries**, if the Director takes part because he is a holder of shares, **debentures** or other *securities*, or if he takes part in the *underwriting* or *sub-underwriting* of the offer;
- a resolution about any proposal involving any other **company** if the Director has a direct or indirect interest of any kind in that **company** (including an interest by holding any position in that **company**, or by being a **shareholder** of that **company** which is not a "material interest" as defined below). An interest in shares (as defined for Part 22 of the **2006 Act**) shall be treated for the purposes of this Article 106 as being a material interest if it represents 1 per cent or more of:
 - any class of **equity share** capital of such company (or of any other company through which his interest is derived); or
 - the voting rights available to members of the relevant company.

For these purposes shares shall not be counted (i) if they are held by a Director as bare or custodian *trustee* and he has no *beneficial interest* in them; (ii) if they are comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder; and (iii) if they are held as treasury shares.

- a resolution about any arrangement for the benefit of employees and Directors and/or former employees and former directors of the **Company**, or any of its subsidiaries, and/or the members of their families (including a spouse or civil partner or a former spouse or former civil partner) or any person who is or was dependent on such persons) including but without being limited to a retirement benefits scheme and an employees' share scheme which only gives him benefits which are also generally given to the employees and/or former employees to whom the arrangement relates;
- a resolution about any proposal relating to any insurance against *liability* which the **Company** can buy and renew for the benefit of Directors, or of a group of people which includes Directors;
- the funding of expenditure by one or more Directors on defending proceedings against him or them or doing anything to enable such Director or Directors to avoid incurring such expenditure; or
- *indemnities* in favour of Directors which are consistent with, or no more onerous than, the provisions of these Articles.

106.3 This Article 106.3 applies if the Directors are considering proposals about appointing two or more Directors to positions with the **Company** or any **company** in which the **Company** is interested. It also applies if the Directors are considering setting or changing the terms of any such appointment. These proposals can be split up to deal with each Director separately. If this is done, each Director can vote and be included in the *quorum* for each resolution, except the one concerning him. A Director cannot vote if the resolution relates to appointing him to a **company** which the **Company** is interested in if the Director has an interest of 1 per cent or more in that **company** in the way described in Article 106.2.

106.4 If any question comes up at a meeting about whether a Director has a material interest, or whether he can vote, and the Director does not agree to abstain from voting on the issue, the question shall be referred to the chairman of the meeting or, if the Director concerned is the chairman, to the other directors at the meeting for a ruling. A ruling under this Article 106.4 about any other Director is final and conclusive, unless the kind and extent of the Director's interests have not been fairly disclosed to the Directors.

107. More about Directors' interests

For the purpose of Articles 105 and 106:

- a general notice given to the Directors that a Director has an interest of the kind stated in the notice in any contract, transaction or arrangement involving any **company** or **person** identified in the notice is treated as a standing disclosure that the Director has such interest; and
- interests which are unknown to the Director and which it is unreasonable to expect him to know about are ignored.

MINUTES

108. Minutes

Directors shall ensure that minutes are made in the appropriate books:

- recording the appointment of Directors and the **Company Secretary** (but not any Deputy or Assistant Company Secretary);
- recording the proceedings of the meetings of the **Company**, of holders of any class of shares, of the Directors and of **committees** of the Directors; and
- recording in each case the names of the Directors present.

Minutes shall be retained for at least 10 years from the date of the appointment or meeting and shall be kept available for inspection in accordance with the **legislation**.

DIRECTORS' COMMITTEES

109. Delegating powers to committees

109.1 The Directors can delegate any of their powers, or discretions, to **committees** which may consist of one or more Directors and one or more other people or wholly of Directors or wholly of other people. This includes powers or discretions relating to Directors' pay or giving benefits to Directors. If the Directors have delegated any power or discretion to a **committee**, any references in these Articles to using that power or discretion include its use by the **committee**. Any **committee** must comply with any regulations laid down by the Directors. These regulations can require or allow people who are not Directors to be co-opted onto the **committee**, and can give voting rights to co-opted members.

109.2 Unless the Directors decide not to allow this, a **committee** can sub-delegate powers and discretions to sub-committees or other people. References in these Articles to **committees** include sub-committees permitted under this Article 109.

110. Committee procedure

If a **committee** includes two or more *members*, the Articles which regulate Directors' meetings and their procedure will also apply to **committee** meetings (if they can apply to **committee** meetings), unless these are inconsistent with any regulations for the **committee** which have been laid down under Article 109.

DIRECTORS' POWERS

111. The power to appoint *attorneys*

111.1 The Directors can appoint anyone (including the members of a group which changes over time) as the **Company's attorneys** by granting a *power of attorney* or by authorising them in some other way. The *attorneys* can either be appointed directly by the Directors, or the Directors can give someone else the power to appoint *attorneys*. The Directors can decide on the purposes, powers, authorities and discretions of *attorneys*. But they cannot give an *attorney* any power, authority or discretion which the Directors do not have under these Articles.

111.2 The Directors can decide for how long a *power of attorney* will last, and they can attach any conditions to it. The *power of attorney* can also include any provisions on which the Directors decide for the protection and convenience of anybody dealing with the *attorney*. The *power of attorney* can also allow the *attorney* to grant any or all of his power, authority or discretion to any other person.

111A. Provision for employees on cessation or transfer of business

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the **Company** or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the **Company** or that subsidiary.

112. Use of the title of "Director"

112.1 The Directors may:

- appoint any **person** to any office or employment which has a designation or title which includes the word "Director"; or
- attach to any existing office or employment with the **Company** such a designation or title;

and may terminate any such appointment or the use of any such designation or title.

112.2 The inclusion of the word "Director" in the designation or title of any such office or employment shall not imply that the holder is a Director of the **Company**. The holder of that designation or title is not empowered to act as, or be deemed to be, a Director of the **Company** for any of the purposes of these **Articles**.

113. Signature on cheques etc.

All cheques, promissory notes, drafts, bills of exchange, and other *negotiable* or transferable *instruments*, and all receipts for money paid to the **Company**, can be signed, drawn, accepted, endorsed, or made legally effective, in such manner as the Directors decide by passing a resolution.

114. Borrowing powers

So far as the **Acts** allow, the Directors can *exercise* all the powers of the **Company** to:

- borrow money;
- issue (*subject to* the provisions of the **Acts** regarding authority to *allot debentures* convertible into **shares**) **debentures** and other *securities*; and
- give any form of:
 - guarantee; or
 - security, either outright or as collateral and over all or any of the **Company's** undertaking, property and uncalled capital;

for any debt, *liability* or obligation of the **Company** or of any third party.

115. Borrowing restrictions

115.1 The Directors must:

- limit the **Borrowings** of the **Company**; and
- *exercise* all voting and other rights or powers of control exercisable by the **Company** in relation to its **subsidiaries**,

ensure that the total amount of all **Borrowings** by the **Group** outstanding at any time will not exceed two times the **Adjusted Total of Capital and Reserves** at such time.

This limitation on **Borrowings** will only affect **subsidiaries** to the extent that the Directors can restrict the borrowings of the **subsidiaries** by exercising the rights or powers of control which the **Company** has over its **subsidiaries**. The **Company** may consent in advance to exceeding the borrowing limit by passing an *ordinary resolution* at a *General Meeting*.

115.2 In this Article:

Group means the **Company** and its **subsidiaries** for the time being;

Adjusted Total of Capital and Reserves means the aggregate of the share capital and *reserves* as shown in the latest audited consolidated balance sheet of the **Group** (including the amount paid up or credited as paid up on the *issued* share capital of the **Company**, the *share premium account*, *capital redemption reserve*, profit and loss account and other *reserves* included within the **Group's** equity **shareholders'** funds) (the "**Reserves**") but:

- adjusted as appropriate in respect of any variation to the **paid up** share capital or *reserves* since the date of the latest audited consolidated balance sheet as recorded within the monthly management accounting records of the **Group**;
- adding any amount which has been deducted at any time from the **Reserves** of the **Group** for goodwill arising on consolidation either by direct *charge* to **Reserves** or by *charge* to the **Group's** consolidated profit and loss account;
- adjusted as appropriate to reflect any difference in value between the fixed *assets* shown in the latest audited consolidated balance sheet of the **Group** and the net current replacement cost of those fixed *assets*; and
- making such other adjustments (if any) as the auditors of the **Company** consider appropriate.

Borrowings means the aggregate amount of all *liabilities* and obligations of the **Group** which in accordance with the accounting bases and principles of the **Group** are treated as borrowings in the latest audited consolidated balance sheet of the **Group** but:

- adjusted as appropriate in respect of any variation to borrowings since the date of the latest audited consolidated balance sheet as recorded within the monthly management accounting records of the **Group**;
- excluding any borrowings under finance or structured tax lease arrangements to the extent matched as part of those arrangements by deposits of cash or cash equivalent investments which are treated by the creditor concerned as available to reduce its net exposure; and
- making such other adjustments (if any) as the auditors of the **Company** consider appropriate.

115.3 The determination of the **Company's** auditors as to the amount of the **Adjusted Total of Capital and Reserves** and the total amount of **Borrowings** at any time shall be conclusive and binding on all concerned and for the purposes of their computation the **Company's** auditors may at their discretion make such further or other adjustments (if any) or determinations as they think fit. Nevertheless the Directors may act in reliance on a bona fide estimate of the amount of the Adjusted Total of Capital and Reserves and the total amount of Borrowings at any time and if in consequence the borrowing limit is inadvertently exceeded an amount of borrowings equal to the excess may be disregarded until the expiration of three months after the date on which by reason of a determination of the Company's auditors or otherwise the Directors became aware that such a situation has or may have arisen.

115.4 No lender or other person dealing with **the Group** need be concerned whether the borrowing limit is observed. No debt incurred or security given in breach of the borrowing limit will be invalid or ineffective unless the lender or the recipient of the security had express notice at the time when the debt was incurred or security given, that the limit had been or would as a result be breached.

ALTERNATE DIRECTORS

116. Alternate Directors

- 116.1** Any Director may appoint any person (including another Director) to act in his place (such person is called an **alternate director**). Such appointment requires the approval of the Directors, unless the proposed **alternate director** is another Director. A Director appoints an **alternate director** by delivering a signed appointment (or in any other manner which has been approved by the Directors) to the **Company**. An **alternate director** need not be a **shareholder**.
- 116.2** The appointment of an **alternate director** ends if the Director appointing him ceases to be a Director, unless that Director retires at a *General Meeting* at which he is re-elected under Article 89. A Director can also remove his alternate from his appointment as alternate director by delivering a signed notice (or doing something else which has been approved by the Directors) delivered to the Registered Office. An **alternate director** can also be removed as an alternate by a resolution of the Directors.
- 116.3** The appointment of an alternate director ends on the occurrence in relation to the alternate director of any event which, if it occurred in relation to his appointor, would result in the termination of his appointor's appointment as a director.
- 116.4** An **alternate director** is entitled to receive notices of Directors' meetings once he has given the **Company** an address, electronic address or fax number to which notices may be served on him. He is entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all functions of the Director appointing him as a Director. If he is himself a Director or attends any such meeting as an alternate for more than one Director, he will have one vote for each Director for whom he acts as an alternate, in addition to his own vote as a Director. However, he may not be counted more than once for the purposes of the *quorum*. If his appointor is temporarily unable to act through ill health or disability or is out of the United Kingdom, his signature to any resolution in writing of the Directors is as effective as the signature of his appointor.
- 116.5** If the Directors decide to allow this, this Article 116 also applies in a similar fashion to any meeting of a **committee** of which his appointor is a member.
- 116.6** An **alternate director** shall be an officer of the **Company** and shall alone be responsible to the **Company** for his own actions and mistakes. Except as said in this Article 116, an alternate director:
- does not have power to act as a Director;
 - is not considered to be a Director for the purposes of the Articles;
 - is not considered to be the agent of his appointor; and
 - cannot appoint an **alternate director**.
- 116.7** *Subject to the legislation*, an **alternate director** is entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be *indemnified* to the same extent as if he were a Director. However, he is not entitled to receive from the **Company** as **alternate director** any **pay**, except only such part (if any) of the **pay** otherwise payable to his appointor as such appointor may direct the **Company** in writing to **pay** to his alternate or (unless the **Company** by *ordinary resolution* decides otherwise).

THE COMPANY SECRETARY

- 117.** The Company Secretary and Deputy and Assistant Company Secretaries
- 117.1** The **Company Secretary** is appointed by the Directors. The Directors decide on the terms and period of his appointment so long as allowed to do so by the **legislation**. The Directors may also remove the **Company Secretary**, but this does not affect any claim for damages against the **Company** for breach of any contract of employment he may have. The Directors may appoint two or more **people** to be joint **Company Secretaries**.
- 117.2** The **Company Secretary** can appoint one or more people to be Deputy or Assistant Company Secretary. The **Company Secretary** may also remove any Deputy or Assistant Company Secretary, but this does not affect any claim for damages against the **Company** for breach of any contract of service he may have. Anything which the **Articles** or the **legislation** require, or allow, to be done by the **Company Secretary** can also be done by any Deputy or Assistant Company Secretary.
- 117.3** Anything which the **legislation** allows to be done by or to a Director and the **Company Secretary**, cannot be done by or to one **person** acting as both a Director and a **Company Secretary**.

THE SEAL

- 118.** The Seal
- 118.1** The Directors are responsible for arranging for the **Seal** and any *Securities Seal* to be kept safely. The **Seal** and any *Securities Seal* can only be used with the authority of the Directors (or any one or them). The *Securities Seal* can be used only for sealing *securities issued* by the **Company** in **certificated form** and sealing documents creating or evidencing *securities issued* by the **Company**.
- 118.2** *Subject to* the provisions of these **Articles** which relate to share certificates, every instrument which is sealed using the **Seal** must be signed personally by at least one authorised person in the presence of a witness who attests the signature and for this purpose an authorised person is:
- any Director of the Company; or
 - the **Company Secretary**; or
 - any other **person** authorised by the Directors for the purpose of signing documents to which the seal is affixed.
- 118.3** Where a signature is required to witness the **Seal**, the Directors may decide that the individual need not sign the document personally but that his signature may be printed on it mechanically, electronically or in any other way the Directors approve.
- 118.4** *Securities* and documents which have the *Securities Seal* stamped on them do not need to be signed unless the Directors or the **legislation** require this.
- 118.5** If the Company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the Directors.
- 118.6** Certificates for **debentures** or other securities of the **Company** may be printed in any way and may be sealed and/or signed for in any manner allowed by these **Articles**.
- 118.7** As long as it is allowed by the **legislation**, any document which is signed by two Directors or by a Director and the Company Secretary or by a Director in the presence of a witness who attests the signature and expressed to be entered into by the **Company** shall have the same

effect as if it had been made **effective** by using the **Seal**. However no document which states that it is intended to have effect as a deed shall be signed in this way without the authority of the Directors or of a **committee** authorised by the Directors to give such authority.

AUTHENTICATING DOCUMENTS

119. Establishing that documents are genuine

119.1 Any Director, or the **Company Secretary**, has power to authenticate any of the following things, and to certify copies or extracts from them as true copies or extracts:

- any documents relating to the **Company's** constitution;
- any resolutions passed by the **shareholders**, or by the Directors or by a **committee** of the Directors; and
- any books, documents, records or accounts which relate to the **Company's** business.

119.2 The Directors can also give this power to others. When any books, documents, records and accounts are not kept at the **Registered Office**, the **person** who holds them is treated as a **person** who has been authorised by the Directors to authenticate any of them, and to provide certified copies or extracts from them.

119.3 This Article 119.3 applies to a document which appears to be a copy of a resolution or an extract from the minutes of any meeting, and which is certified as a copy or extract as described in Article 119.1 or 119.2. This document is conclusive evidence for anyone who deals with the **Company** on the strength of the document that:

- the resolution has been properly passed; or
- the extract is a true and accurate record of the proceedings of a valid meeting.

RESERVES

120. Setting up reserves

The Directors can set aside any profits of the **Company** and hold them in a *reserve*. The Directors can decide to use these sums for any purpose for which the profits of the **Company** can lawfully be used. Sums held in a *reserve* can either be employed in the business of the **Company** or be invested. The Directors can divide the *reserve* into separate funds for special purposes and alter the funds into which the *reserve* is divided. The Directors can also carry forward any profits without holding them in a *reserve*. The Directors must comply with the restrictions under the **legislation** which relate to *reserve funds*.

121. Assets bought as from a past date

This Article 121 applies if the **legislation** allows this and the Directors decide to deal with profits, losses, dividends or interest as this Article allows. Where any *asset*, business or property is bought by the **Company** as from a past date (whether such date be before or after the incorporation of the **Company**), any of the profits and losses from such date can be added to the **Company's** revenue account and treated for all purposes as profits or losses of the **Company**. Similarly, where shares or *securities* are purchased with any dividend or interest, any such dividend or interest can be treated as revenue, rather than being treated as a capital item.

DIVIDENDS

122. Final dividends

The Directors may recommend the amount of any final dividend. The **shareholders** can then *declare* dividends by passing an *ordinary resolution*. No such dividend can exceed the amount recommended by the Directors.

123. Fixed and interim dividends

123.1 If the Directors consider that the profits of the **Company** justify such payments, they can:

- **pay** the fixed dividends on any class of shares carrying a fixed dividend on the dates prescribed for the payment of such dividends; and
- **pay** interim dividends on shares of any class of such amounts and on such dates and for such periods as they decide. But no interim dividend shall be paid on shares which carry deferred or non-preferred rights if, at the time of payment, any preferential *dividend* is in *arrear* (on any one of them).

123.2 If the Directors act in good faith, they are not liable to the holders of any shares for any loss they may suffer because a lawful dividend has been paid under this Article 123 on other shares which *rank* equally with or behind their shares.

124. Dividends not in cash

If the Directors recommend this, the **shareholders** can pass an *ordinary resolution* to direct all or part of a dividend to be paid by distributing specific *assets* (and in particular **paid-up** shares or **debentures** of any other **company**). The Directors must give effect to such resolution. Where any difficulty arises on the distribution or valuation of the *assets*, the Directors can settle it as they decide. In particular, they can:

- issue fractional certificates (or ignore fractions);
- value *assets* for distribution purposes;
- **pay** cash of a similar value to adjust the rights of **persons** entitled to the dividend; and/or
- transfer any *assets* to *trustees* for **persons** entitled to the dividend.

125. Apportioning dividends

All dividends will be divided and paid in proportions based on the amounts which have been paid up on the shares during any of the period for which the dividend is paid. Sums which have been paid up in advance of *calls* do not count as paid up for this purpose. But if the **terms of any share** say that it will be entitled to a dividend as if it were a **fully paid-up**, or **partly paid-up**, *share* from a particular date (in the past or the future), it will be entitled to a dividend on this basis. This Article 125 applies unless the rights attached to any shares, or the **terms of any shares**, say otherwise.

126. Deducting amounts owing from dividends and other money

If a **shareholder** owes any money for *calls* on shares, or money relating in any other way to shares, the Directors can deduct any of this money from:

- any dividend on any shares held by the **shareholder**; or
- any other money payable by the **Company** in connection with the shares.

Money deducted in this way can be used to **pay** amounts owed to the **Company** in

connection with the shares.

127. Payments to shareholders

127.1 Any dividend or other money payable in cash (whether in sterling or foreign currency) relating to a share can be paid:

- by cheque or warrant or any other similar financial *instrument* made payable to the **shareholder** who is entitled to it and sent direct to his registered address or, in the case of joint **shareholders**, to the **shareholder** who is first named in the **Register** and sent direct to his registered **address**, or to someone else named in a hard copy written instruction from the **shareholder** (or from all joint **shareholders**);
- in the case of shares in **uncertificated form**, by the use of a **relevant system**;
- by inter-bank transfer or other **electronic means** to an account named in a hard copy written instruction from the **person** receiving the payment; and/or
- in some other way agreed between the **shareholder** (or all joint **shareholders**) and the **Company**.

127.2 For joint **shareholders**, or **persons** jointly and *automatically entitled to shares by law*, the **Company** can rely on a receipt for a dividend or other money paid on shares from any one such **person**.

127.3 Cheques and warrants are sent, and payment in any other way is made, at the risk of the **people** who are entitled to the money. The **Company** is treated as having paid a dividend if such a cheque or warrant is cleared or if a payment using a **relevant system** or bank transfer or other **electronic means** is made in accordance with instructions given by the **Company**. The **Company** will not be responsible for a payment which is lost or delayed.

127.4 Unless the rights attached to any shares, or the **terms of** any shares, or the **Articles** say otherwise, a dividend, or any other money payable in respect of a share, can be paid in whatever currency the Directors decide using an appropriate exchange rate selected by the Directors for any currency conversions which are required.

127.5 No dividend or other sum payable by the **Company** on or in respect of its shares carries a right to interest from the **Company** unless the *rights* of the shares provide otherwise.

127.6 If the **person** entitled to the dividend is an employee of the **Company** or of one of its **subsidiaries**, the cheque may instead be sent to that **person** through the internal systems of the **Company** or that **subsidiary**.

128. Record dates for payments and other matters

Any dividend or distribution on any shares can be paid to the holder or holders of the shares shown on the **Register** at the close of business on a particular day stated in the resolution passed for payment of the dividend or providing for the distribution. It will be based on the number of shares registered on that day. This Article 128 applies whether what is being done is the result of a resolution of the Directors or a resolution passed at a *General Meeting*. The date can be before any relevant resolution was passed. This Article 128 does not affect the rights between past and present **shareholders** to payments or other benefits.

129. Dividends which are not claimed

129.1 If a dividend has not been claimed for one **year** after the passing of either the resolution passed at a *General Meeting* declaring that dividend, or the resolution of the Directors providing for payment of that dividend (whichever is later), the Directors may invest the

dividend or use it in some other way for the benefit of the **Company** until the dividend is claimed. If the Directors decide to pay unclaimed dividends into a separate account, the **Company** will not be a *trustee* of the money and will not be liable to **pay** any interest on it. Any dividend which has not been claimed for 12 **years** after the date on which the dividend was *declared* or became due for payment (whichever is later) may be *forfeited* and belong to the **Company** if the directors so decide.

129.2 The **Company** can stop paying dividends by cheque or other payment order if cheques or other payment orders for two dividends in a row are sent back or not cashed. The **Company** can start paying dividends in this way again if the **shareholder** or a **person automatically entitled to the shares by law**:

- claims those dividends (before they are *forfeited* under Article 129.1); and
- does not tell the **Company** to start paying dividends in some other way.

130. Waiver of dividends

All or any dividend can be waived by means of a document on which the **Company** acts. The document must be signed by the **shareholder** (or the **person automatically entitled to the shares by law**) and delivered to the **Company**. The document need not be in the form of a deed.

CAPITALISING RESERVES

131. Capitalising reserves

131.1 *Subject to any special rights* attaching to any class of shares, the **shareholders** can pass an *ordinary resolution* to allow the Directors to change into capital any sum:

- which is part of any of the **Company's reserves** (including *premiums* received when any shares were *issued*, *capital redemption reserves* or other undistributable reserves); or
- which the **Company** is holding as undistributed profits.

131.2 Unless the *ordinary resolution* states otherwise the Directors will use the sum which is changed into capital by setting it aside for the **Ordinary Shareholders** or other **shareholders** so entitled on the **Register** at the close of business on the day the resolution is passed (or another date stated in the resolution or fixed as stated in the resolution). The sum set aside must be used to **pay** up on the **shareholders'** behalf any amount which is unpaid on shares held by them or to **pay** up in full shares of the **Company** and *allot* such shares and distribute them to **shareholders** (or as they may direct) as bonus shares in proportion to their holdings of **Ordinary Shares** at the time. The shares can be **Ordinary Shares** or, if the *rights* of other **existing shares** allow this, shares of some other class. The Directors may resolve that any shares *allotted* to any **shareholder** in respect of his holding of *partly paid* shares shall only entitle that **shareholder** to a dividend to the extent that those *partly paid* shares entitle him.

131.3 If any difficulty arises in operating this Article 131, the Directors can resolve it in any way which they decide. For example they can deal with entitlements to fractions of a share by deciding that the benefit of share fractions belongs to the **Company** or that share fractions are ignored or by dealing with fractions in some other way including by cash payment.

131.4 The Directors can appoint any **person** to sign any contract with the **Company** on behalf of those who are entitled to shares under the resolution. Such a contract is binding on all concerned.

SCRIP DIVIDENDS

132. Shareholders can be offered the right to receive extra shares instead of cash dividends

132.1 The Directors may, with the authority of an *ordinary resolution* of the Company, offer any holders of **Ordinary Shares** the right to choose to receive extra **Ordinary Shares**, which are credited as *fully paid up*, instead of some or all of their cash dividend.

132.2 The *ordinary resolution* can apply to a particular dividend or dividends. Or it can apply to some or all of the dividends which may be *declared* or paid in the period up to and including the *Annual General Meeting* which is held in the fifth **year** after the *ordinary resolution* is passed.

132.3 The Directors can offer **shareholders** the right to request new shares instead of cash for:

- the next dividend; or
- all future dividends (if a share alternative is made available), until they tell the **Company** that they no longer wish to receive new shares.

The Directors can also allow **shareholders** to choose between these alternatives.

132.4 A **shareholder** is entitled to **Ordinary Shares** whose total relevant value is as near as possible to the cash dividend (excluding any tax credit) he would have received. The relevant value of a share is a value calculated in the manner set out in the *ordinary resolution* or, if the *ordinary resolution* does not set this out, then the relevant value of a share is the average value of the **Ordinary Shares** for the five dealing days starting from, and including, the day when the shares are first quoted "ex dividend". This average value is worked out from the average middle market quotations for the **Ordinary Shares** on the **London Stock Exchange**, as published in its Daily Official List. A certificate or report from the **Company's** auditor as to the amount of relevant value will be conclusive evidence of that amount.

132.5 After the Directors have decided to apply this Article 132 to a dividend, they must notify eligible **shareholders** in writing of their right to opt for new shares. This notice should also say how, where and when **shareholders** must notify the **Company** if they wish to receive new shares. Where **shareholders** have already opted to receive new shares in place of all future dividends, if new shares are available, the **Company** need not notify them of a right to opt for new shares. Instead, the **Company** will remind them that they have already opted for new shares and tell them how to tell the **Company** if they wish to start receiving cash dividends again.

132.6 The Directors can set a minimum number of **Ordinary Shares** in respect of which the right to choose new shares can be *exercised*. No **shareholders** will receive a fraction of a share. The Directors can decide how to deal with any fractions left over. The **Company** can, if the Directors decide, have the benefit of these left over fractions.

132.7 The Directors can exclude or restrict the right to opt for new shares, or make any other arrangements where they decide that this is necessary or convenient to deal with any of the following legal or practical problems:

- problems relating to laws of any territory; or
- problems relating to the requirements of any recognised regulatory body or stock exchange in any territory; or
- where special formalities would otherwise apply in connection with the offer of new shares.

132.8 So far as a **shareholder** opts to receive new shares, no dividend on the shares for which he has opted to receive new shares (which are called the **elected shares**), will be *declared* or payable. Instead, new **Ordinary Shares** will be *allotted* on the basis set out earlier in this

Article 132. To do this the Directors will convert into capital the sum equal to the total *nominal amount* of the new **Ordinary Shares** to be *allotted*. They will use this sum to *pay up in full* the appropriate number of new **Ordinary Shares**. These will then be *allotted* and distributed to the holders of the **elected shares** as set out above. The sum to be converted into capital can be taken from any amount which is then in any *reserve* or fund (including the *share premium account*, any *capital redemption reserve* and the profit and loss account). Article 131 applies to this process, so far as it is consistent with this Article 132.

132.9 Unless the Directors decide otherwise or the **CREST Regulations** or the **rules** of a **relevant system** require otherwise, any new shares which an **Ordinary Shareholder** has chosen to receive instead of some or all of his cash dividend will be:

- shares in **uncertificated form** if the corresponding **elected shares** were **uncertificated shares** on the record date for that dividend; and
- shares in **certificated form** if the corresponding **elected shares** were **shares** in **certificated form** on the record date for that dividend.

132.10 The new **Ordinary Shares** *rank* equally in all respects with the existing **fully paid-up Ordinary Shares** on the record date for the dividend. But, they are not entitled to share in the dividend from which they arose and do not allow the holder to opt for new shares instead of that dividend.

132.11 The Directors can decide that new shares will not be available in place of any cash dividend. They can decide this at any time before new shares are *allotted* in place of such dividend, whether before or after **shareholders** have opted to receive new shares.

132.12 The Directors have the power to do all acts and things they consider necessary to give effect to this Article.

ACCOUNTS

133. Accounting and other records

The Directors shall make sure that proper accounting records that comply with the **legislation** are kept to record and explain the **Company's** transactions.

134. Location and inspection of records

134.1 The accounting records shall be kept:

- at the **Registered Office**; or
- at any other place which the **legislation** allows, and on which the Directors decide.

134.2 The Directors and the **Company Secretary** (but not any Deputy or Assistant Company Secretary) always have the right to inspect the accounting records.

134.3 Anyone else (including a **shareholder**) does not have any right to inspect any books or papers of the **Company** unless:

- the **legislation** or a proper court order or an *ordinary resolution* of the **Company** gives him that right; or
- the Directors authorise him to do so.

135. Sending copies of accounts and other documents

135.1 This Article 135 applies to every balance sheet and income statement account to be laid

before the **shareholders** at a *General Meeting* with any other document which the **legislation** requires to be attached to these, including the Directors' and auditors' reports.

135.2 Copies of the documents set out in Article 135.1 must be sent to the **Company's shareholders** and **debenture holders** and all other **people** to whom the **Articles**, or the **legislation**, require the **Company** to send them. This must be done at least 21 **clear days** before the relevant *General Meeting*. But the **Company** need not send these documents to:

- **shareholders** who are sent summary financial statements in accordance with the **legislation**;
- more than one joint holder of shares or **debentures**; or
- any **person** for whom the **Company** does not have a current address.

135.3 **Shareholders** or **debenture holders** who are not sent copies can receive a copy free of charge by applying to the **Company** at the **Registered Office**.

135.4 To avoid any doubt, the documents set out in this Article may be delivered by electronic means or made available on a website in accordance with Article 138.

AUDITORS

136. Acts of Auditors

The Directors must appoint auditors for the **Company**. **So** far as the **legislation** allows, the actions of a **person** acting as an auditor are valid in favour of someone dealing with the **Company** in good faith, even if there was some defect in the **person's** appointment or the **person** was at any time not qualified to act as an auditor.

137. Auditors at General Meetings

An auditor can attend any *General Meeting*. He can speak at *General Meetings* on any business which is relevant to him as auditor.

NOTICES

138. Serving and delivering notices and other documents

138.1 Without prejudice to Article 53.7, the **Company** can give, circulate, deliver, serve, send or supply any offer, notice, information or other document, including where appropriate a share certificate, on or to a **shareholder**:

- personally;
- by posting it in a letter (with postage paid) to the address recorded for him on the **Register**;
- by delivering it to that address;
- if the **shareholder** is also an employee of the **Company** or one of its **subsidiaries**, through the internal systems of the **Company** or that **subsidiary**;
- by sending it in **electronic form** to a person who has agreed (generally or specifically) that the offer, notice, information or other document may be given, sent or supplied in that form (and has not revoked that agreement); or
- *subject to* the provisions of the **Acts**, by making it available on a website, provided that the requirements in Article 138.2 are satisfied.

To avoid doubt, and subject to the rest of these Articles the method of delivery adopted by the Company on any one occasion shall not in any way restrict the Company from using an alternative method of delivery on a different occasion.

138.1A Any notice, document or information to be sent or supplied by the **Company** to the shareholders or any of them, not being a notice of a general meeting, shall be sufficiently set or supplied if sent or supplied by advertisement in at least one national daily newspaper published in the **United Kingdom**.

138.2 The requirements referred to in Article 138.1 relating to websites are that:-

- the **shareholder** has agreed (generally or specifically) that the offer, notice, information or other document may be given, sent or supplied to him by being made available on a website (and has not revoked that agreement), or the **shareholder** has been asked by the **Company** for consent (whether before or after the date of the adoption of these Articles) to give, send or supply offers, notices, information or other documents generally, or the offer, notice, information or other document in question, to him by making it available on a website and the **Company** has not received a response within the period of 28 days beginning on the date on which the **Company's** request was sent and the **shareholder** is therefore taken to have so agreed (and has not subsequently revoked that agreement);
- the **shareholder** is sent a notification of the presence of the offer, notice, information or other document on a website, the address of that website, the place on that website where it may be accessed, and how it may be accessed ("notification of availability");
- in the case of a notice of meeting, the notification of availability states that it concerns a notice of a company meeting, specifies the place, time and date of the meeting, and states whether it will be an annual *General Meeting*; and
- the offer, notice, information or other document continues to be published on that website, in the case of a notice of meeting, throughout the period beginning with the date of the notification of availability and ending with the conclusion of the meeting and in all other cases throughout the period specified by any applicable provision of the **Acts**, or, if no such period is specified, throughout the period of 28 days beginning with the date on which the notification of availability is sent to the **shareholder**, save that if the offer, notice, information or other document is made available for part only of that period then failure to make it available throughout that period shall be disregarded where such failure is wholly attributable to circumstances which it would not be reasonable to have expected the **Company** to prevent or avoid.

138.3 Any notice to be given to a **shareholder** may be given by reference to the **Register** as it stands at any time within the period of 15 days before the notice is given. No change in the **Register** after that time shall invalidate the giving of the notice.

138.4 Every **person** who becomes entitled to a share is bound by any notice given to the **person** from whom he derives his title. This is so even if the **person** who becomes entitled to their share has not been entered on the **Register**. This Article 138.4 does not apply to a notice given under Section 793 of the **2006 Act**.

138.5 The **Company** may at any time and from time to time, at its sole discretion, choose to give, send or supply offers, notices, information or other documents only in hard copy form to some or all **shareholders**.

139. Notices to joint holders

When an offer, notice, information or other document is to be given to joint **shareholders** it

shall be given to the **joint shareholder** who is listed first on the **Register**, but ignoring any **joint shareholder** without a **United Kingdom** address under Article 138 or Article 140. A notice given in this way is treated as given to all of the joint holders. The deemed consent or agreement of the first listed joint holder that offers, notices, information or other documents may be given in **electronic form** or by being made available on a website shall be binding on all the joint holders.

140. Notices for shareholders with foreign addresses

140.1 This Article 140 applies to a **shareholder** whose postal address on the **Register** is outside the **United Kingdom**. He can give the **Company** a **United Kingdom** postal address where notices, information or other documents can be served on him. If he does, he is entitled to have notices, information or other documents served on him at that address. Otherwise, he is not entitled to receive any notices, information or other documents from the **Company**.

140.2 For **shareholders** registered on a branch register notices, information or other documents can be posted in the **United Kingdom** or in the country where the branch register is kept.

141. When notices are served or deemed to be served

141.1 If an offer, notice, information or other document is sent through the post, it is treated as being served or delivered on the day after it was posted (or on the day after that, if second class post is used). If such an offer, notice, information or other document is sent to a **shareholder** who is an employee of the **Company** or of one of its **subsidiaries** by the relevant internal post it is treated as served or delivered on the day after it was posted. It can be proved that a notice or other document was served by post (or internal post) by showing that:

- the letter containing the notice or document was properly addressed; and
- it was put into the postal system with postage paid (where applicable).

141.2 If an advertisement is published in a newspaper as provided for in Article 138.1A then notice will be served on the date of the publication of the newspaper.

141.3 If an offer, notice, information or other document is sent by **electronic means** it is treated as being served or delivered at the expiration of two hours from the time on the day it was sent. It can be proved that an offer, notice, information or other document was served in **electronic form** by showing that it was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators.

141.4 If an offer, notice, information or other document is made available on a website, it is treated as being served or delivered on the date on which notification of availability on the website is treated as being served or delivered under this Article or, if later, the date on which it is first made available on the website.

141.5 If a *member* is present at any **shareholders** meeting either in **person** or by *proxy* or in the case of a corporate *member* by a duly authorised **company representative** he shall be deemed to have received notice of the meeting and of the reason why it was called.

142. Serving notices and documents on shareholders who have died or are bankrupt

This Article 142 applies where a **shareholder** has died, has become of unsound mind or become bankrupt or is in liquidation, but is still registered as a **shareholder**. It applies whether he is registered as a sole or joint **shareholder**. A **person** who is *automatically entitled to such shareholder's shares by law* and who proves this to the reasonable satisfaction of the Directors can give a **United Kingdom** postal address for service of notices and documents. If this is done, notices and documents must be sent to that postal **address**. Otherwise, if any notice, or other document, is served on the **shareholder** named on the **Register**, or sent to

him in accordance with the **Articles**, this will be valid despite his death, unsound mind, bankruptcy or liquidation. This applies even if the **Company** knew about these things. If notices or documents are served or sent in accordance with this Article 142, there is no need to send them to, or serve them in any other way on, any other people who may be involved.

143. If documents are accidentally not sent

If any notice, or other document relating to any meeting or other proceeding, is accidentally not sent, or is not received, the meeting or other proceeding will not be invalid as a result.

144. When entitlement to notices stops

If on three consecutive occasions notices or other communications sent or supplied to a **shareholder** have been returned undelivered, the **shareholder** shall not be entitled to receive any subsequent notice or communication until he has given to the **Company** a new registered address (and in the case of a postal address, one within the **United Kingdom**) or (without prejudice to Article 140) shall have informed the **Company**, in such manner as may be specified by the **Company**, of an electronic address. For the purposes of this Article, references to a communication include references to a cheque or other instrument of payment, but nothing in this Article shall entitle the **Company** to cease sending any cheque or other instrument of payment for any dividend, unless it is also entitled under Article 129.2 to do so. This Article 144 is *subject to* the provisions of the **Acts**.

145. Validation of document

Where these **Articles** require a document to be signed by a **shareholder** or any other person, if the document is in **electronic form**, then in order to be valid the document must either:

- incorporate the electronic signature or personal identification details of that **shareholder** or other person, in a form approved by the Directors; or
- be accompanied by such other evidence as the Directors may require in order to be satisfied that the document is genuine.

WINDING UP

146. Distribution of assets in kind

If the **Company** is wound up (whether the liquidation is voluntary, under supervision of the Court, or by the Court) the liquidator can, with the authority of a *special resolution* passed by the **shareholders** and any other sanction required by the **legislation**, divide among the **shareholders** the whole or any part of the *assets* of the **Company**. This applies whether the *assets* consist of property of one kind or different kinds. For this purpose, the liquidator can set such value as he considers fair upon any property and decide how such division is carried out as between **shareholders** or different groups of **shareholders**. The liquidator can also, with the authority of a *special resolution* passed by the **shareholders** and any other sanction required by the **legislation**, transfer any part of the *assets* to *trustees* upon such trusts for the benefit of **shareholders** as the liquidator decides. The liquidation of the **Company** can then be closed and the **Company** dissolved. However no past or present **shareholder** can be compelled to accept any shares or other property under this Article 146 which carries a *liability*.

DESTROYING DOCUMENTS

147. Destroying documents

147.1 The **Company** can destroy:

- all transfer forms for shares, and documents sent to support a transfer, and any other documents which were the basis for making an entry on the **Register**, after six **years** from the date of registration;
 - all dividend payment instructions and notifications of a change of address or name, after two **years** from the date these were registered; and
 - all cancelled share certificates, after one **year** from the date they were cancelled.
- 147.2** If the **Company** destroys a document in accordance with Article 147.1, it is conclusively treated as having been a valid and effective document in accordance with the **Company's** records relating to the document. Any action of the **Company** in dealing with the document in accordance with its terms before it was destroyed is conclusively treated as properly taken.
- 147.3** This Article 147 only applies to documents which are destroyed in good faith and if the **Company** is not on notice of any claim to which the document may be relevant.
- 147.4** For documents relating to shares in **uncertificated form**, the **Company** must also comply with any **rules** (as defined in the **CREST Regulations**) which limit its ability to destroy these documents.
- 147.5** A document may be destroyed earlier than the dates mentioned in Article 147.1 if a permanent record of that document is made before its destruction.
- 147.6** This Article 147 does not make the **Company** liable:
- if it destroys a document earlier than referred to in Article 147.1; or
 - if the **Company** would not be liable if this Article 147 did not exist.
- 147.7** Any document referred to in Article 147.1 may, *subject to* the **Acts**, the **CREST Regulations** and any other statute for the time being in force affecting the **Company**, be destroyed before the end of the relevant period so long as a copy of the relevant document (whether made electronically, by microfilm, by digital imaging or by other means) has been made and is retained by the **Company** until the end of the relevant period.
- 147.8** This Article 147 applies whether a document is destroyed or disposed of in some other way.

INDEMNITY AND INSURANCE

148. Indemnity

- 148.1** *Subject to* the provisions of, and so far as is permitted by and consistent with the **legislation** and the Listing Rules of the **UK Listing Authority**, any person who is or was a **Director**, **Company Secretary** or other officer of the Company, or a **Director** of any associated company (as defined in Section 256 of the 2006 Act) (an "**Associated Company**") shall be *indemnified* by the **Company** out of its own funds against (a) any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the **Company** or any **Associated Company** of which he is a director (in the case of any person who is or was a **Director** of the **Company**, or a **Director** of any **Associated Company**) other than (i) any liability to the **Company** or any **Associated Company** and (ii) any liability of the kind referred to in Section 234(3) of the **2006 Act**; and/or (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the *exercise* or purported *exercise* of his powers and/or otherwise in relation to or in connection with his duties, powers or office; and/or (c) any liability incurred by or attaching to him in connection with the activities of the **Company** or an **Associated Company** in its capacity as a trustee of an occupational pension scheme (as defined in Section 235(6) of the **2006 Act**) other than any liability of the kind referred to in

Section 235(3) of the **2006 Act**.

Where a Director, **Company Secretary** or other officer of the **Company** is *indemnified* against any liability in accordance with this Article 148.1, such *indemnity* shall extend to all costs, charges, losses, expenses and *liabilities* incurred by him in relation thereto.

148.2 Article 148.1 also covers any *liability* to **pay** an amount in respect of shares acquired by a nominee of the **Company**.

148.3 So far as the **legislation** allows, every Director, **Company Secretary** or other officer of the **Company** is exempted from any *liability* to the **Company** where that *liability* would be covered by the indemnity in Article 148.1.

148.4 For the purpose of this Article 148 each of the following is a **Relevant Company**:

- the **Company**;
- any **Associated Company** (as defined in Article 148.1);
- any *holding company* of the **Company**;
- any body, whether or not incorporated, in which the **Company** or such holding company or any of the predecessors of the **Company** or of such holding company has or had any interest, whether direct or indirect; and
- any body, whether or not incorporated, which is in any way allied to or associated with the **Company**, or any **subsidiary** of the **Company** or such other body.

148.5 Without limiting **Articles** 148.1 and 148.2 in any way, the Directors can arrange for the **Company** to purchase and maintain insurance for or for the benefit of any **persons** who are or may become or were at any time:

- Directors, **officers** or employees of any **Relevant Company**; or
- trustees of any pension fund or employees' benefit scheme in which employees of any **Relevant Company** are interested.

This includes, for example, insurance against any loss, liability or expenditure incurred by such persons for any act or omission:

- in performing or omitting to perform their duties; and/or
- in exercising or omitting to exercise their powers; and/or
- in supposedly doing any of these things; and/or
- in connection with any proven or alleged negligence, default, breach of duty or breach of trust by such person; and/or
- otherwise in relation to their duties, powers or offices in the **Company** or in any **subsidiary** of the **Company** or in any other **company** or any pension fund or employee share scheme of the **Company** or **Associated Company** or body undertaken at the request of the **Company**.

148.6 *Subject to* the provisions of, and so far as is permitted by and consistent with the **legislation** and the Listing Rules of the **UK Listing Authority**, the **Company** (i) shall provide a **Director**, **Company Secretary** or other officer of the **Company** with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the

Company or an **Associated Company** or in connection with any application for relief under the provisions mentioned in Section 205(5) of the **2006 Act** and (ii) shall do anything to enable a **Director**, **Company Secretary** or other officer of the **Company** to avoid incurring such expenditure, but so that the terms set out in Section 205(2) to (4) of the **2006 Act** shall apply to any such provision of funds or other things done.

148.7 Glossary

About the glossary

This glossary is to help readers understand the **Company's Articles** of Association. Words are explained as they are used in the **Articles** - they might mean different things in other documents. The glossary is not legally part of the **Articles**, and it does not affect their meaning. The definitions are intended to be a general guide - they are not precise.

abrogate If the *special rights* of a share are abrogated, they are cancelled or withdrawn.

adjourn Where a meeting breaks, to be continued at a later time or day, at the same or a different place.

allot When new shares are allotted, they are set aside for the **person** they are intended for. This will normally be after the **person** has agreed to **pay** for a new share, or has become entitled to a new share for any other reason. As soon as a share is allotted, that **person** gets the right to have his name put on the register of **shareholders**. When he has been registered, the share has also been *issued*.

American Depositary Shares A dollar denominated security issued by a depositary bank which represents a shareholding in a **company's ordinary shares**. When the depositary bank issues such shares, it does so in the form of American Depositary Receipts which each represent a fixed number of such shares.

asset Anything which is of any value to its owner.

attorney An attorney is a **person** who has been appointed to act for another **person**. The **person** is appointed by a formal document, called a *power of attorney*.

automatically entitled to a share by law In some situations, a **person** will be entitled to have shares which are registered in somebody else's name registered in his own name. Or he can require the shares to be transferred to another **person**. When a **shareholder** dies, or the sole survivor of joint **shareholders** dies, his *personal representatives* have this right. If a **shareholder** is made bankrupt, his trustee in bankruptcy has the right.

beneficial interest (or **ownership**) A **person** on whose behalf or for whose benefit a *trustee* holds shares has a beneficial interest in those shares.

brokerage Commission which is paid to a broker by a **company** *issuing* shares, where the broker's clients have applied for shares.

call A call to **pay** money which is due on shares which has not yet been paid. This happens if a **company** *issues* shares which are *partly paid*, where money remains to be paid to **that company** for the shares. The money which has not been paid can be "called" for. If all the money to be paid on a share has been paid, the share is called a *fully paid* (or **paid up**) share.

capitalise To convert some or all of the *reserves* of a **company** into capital (such as shares).

capital redemption reserve A reserve of funds which a **company** may have to set up to keep its capital base when shares are *redeemed* or bought back.

casual vacancy A vacancy amongst the Directors which occurs by reason of the death, resignation or disqualification of a Director, or from the failure of an elected Director to accept his appointment, or for any other reason except the retirement of a Director in accordance with the **Articles**.

company representative If a **company** owns shares, it can appoint a **person** to be a company representative to attend a **shareholders'** meeting to speak and vote for it.

consolidate When shares are consolidated, they are combined with other shares - for example every three 10p shares might be consolidated into one new 30p share.

debenture A typical debenture is a long-term borrowing by a **company**. The loan usually has to be repaid at a fixed date in the future, and carries a fixed rate of interest.

declare When a dividend is declared, it becomes due to be paid.

dividend arrears This includes any dividends on shares with cumulative rights which could not be paid, but which have been carried forward.

dividend warrant A dividend warrant is similar to a cheque for a dividend.

ex dividend When a share goes "ex dividend", a **person** who buys it will not be entitled to the dividend which has been *declared* shortly before he bought it. When a share has gone "ex dividend", the seller is entitled to this dividend, even though it will be paid after he has sold his share.

executed A document is executed when it is signed, or sealed or made valid in some other way.

exercise When a power is exercised, it is put to use.

forfeit When a share is forfeited, it is taken away from the **shareholder** and goes back to the **company**. This process is called "*forfeiture*". This can happen if a *call* on a *partly paid share* is not paid on time.

fully paid shares When all of the money which is due to a **company** for a share has been paid, a share is called a fully paid (or **paid up**) share.

General Meeting A meeting of the **shareholders** of the **Company**.

good title If a **person** has good title to a share, he owns it outright.

holding company A **company** which controls another **company** (for example by owning a majority of its shares) is called the holding **company** of that other **company**. The other **company** is the **subsidiary** of the holding **company**.

indemnity If a **person** gives another **person** an indemnity, he promises to make good any losses or damage which the other might suffer. The **person** who gives the indemnity is said to indemnify the other **person**.

in issue See **issue**.

instruments Formal legal documents.

issue When a share has been issued, everything has been done to make the **shareholder** the owner of the share. In particular, the **shareholder's** name has been put on the register of **shareholders**. **Existing shares** which have been issued are *in issue*.

liabilities Debts and other obligations.

liable jointly and severally Where more than one **person** is liable jointly and severally it means that any one of them can be sued for the full amount, or they can all be sued together.

lien Where a **company** has a lien over shares, it can take the dividends, and any other payments relating to the shares which it has a lien over, or it can sell the shares, to repay the debt and so on.

members Shareholders.

negotiable instrument A document such as a cheque, which can be freely transferred from one **person** to another.

nominal amount or value The value of the share in the **Company's** accounts. The nominal value of the **Ordinary Shares** is 10p. This value is shown on the share certificate for a share. When the **Company** issues new shares this can be for a price which is at a *premium* to the nominal value. When shares are bought and sold on the stock market this can be for more, or less, than the nominal value. The nominal value is sometimes also called the "par value".

ordinary resolution A decision reached by a simple majority of votes - that is by more than 50 per cent of the votes cast.

partly paid shares If any money remains to be paid on a share, it is said to be *partly paid*. The unpaid money can be *called for*.

personal representatives A **person** who is entitled to deal with the property ("the estate") of a **person** who has died. If the **person** who has died left a valid will, the will appoints "executors" who are personal representatives. If the **person** died without a will, the courts will appoint one or more "administrators" to be the personal representatives.

poll On a poll vote, the number of votes which a **shareholder** has will depend on the number of shares which he owns. An **Ordinary Shareholder** has one vote for each share he owns. A poll vote is different to a *show of hands* vote, where each **person** who is entitled to vote has just one vote, however many shares he owns.

power of attorney A formal document which legally appoints one or more **persons** to act on behalf of another **person**.

pre-emption rights The right of some **shareholders** which is given by the **2006 Act** to be offered a proportion of certain classes of newly *issued* shares and other *securities* before they are offered to anyone else. This offer must be made on terms which are at least as favourable as the terms offered to anyone else.

premium If a **company** issues a new share for more than its *nominal value* (for example because the market value is more than the *nominal value*), the amount above the *nominal value* is the premium.

proxy A proxy is a **person** who is appointed by a **shareholder** to exercise all or any of that shareholder's rights to attend, speak and vote at a meeting. A proxy is appointed by using a **proxy form**. A proxy does not have to be a **shareholder**. A *proxy* can vote on a *poll* and on a *show of hands*.

proxy form A form which a **shareholder** uses to appoint a *proxy* to attend a meeting and vote for him. The **proxy form** must be delivered to the **Company** before the meeting to which it relates.

quorum The minimum number of **shareholders** in respect of a **shareholders'** meeting or the minimum number of Directors in respect of a Directors' meeting who must be present before the relevant meeting can start. When this number is reached, the meeting is said to be "quorate".

rank and **ranking** When either capital or income is distributed to **shareholders**, it is paid out according to the rank (or ranking) of the shares. For example, a share which ranks before (or above) another share in sharing in a **company's** income is entitled to have its dividends paid first, before any dividends are paid on shares which rank below (or after) it. If there is not enough income to **pay** dividends on all shares, the available income must be used first to **pay** dividends on shares which rank first, and then to shares which rank below. The same applies for repayments of capital. Capital must be paid first to shares which rank first in sharing in the **company's** capital, and then to shares which rank below.

recognised clearing house A "clearing house" which has been authorised to carry on business by the UK authorities. A clearing house is a central computer system for settling transactions between members of the clearing house.

recognised investment exchange An "investment exchange" which has been officially recognised by the UK authorities. An investment exchange is a place where investments, such as shares, are traded. The **London Stock Exchange** is a **recognised investment exchange**.

redeem and **redemption** When a share is redeemed, it goes back to the **company** in return for a sum of money (the "redemption price") which was fixed before the share was *issued*. This process is called redemption. A share which can be redeemed is called a "redeemable" share.

relevant system This is a term used in the **legislation** for a computer system which allows shares without share certificates to be transferred without using transfer forms. The **CREST system** for paperless share dealing is a "**relevant system**".

renunciation Where a share has been *allotted*, but nobody has been entered on the share register for the share, it can be *renounced* to another **person**. This transfers the right to have the share registered to another **person**. This process is called renunciation.

requisition a meeting A formal process which **shareholders** can use to call a meeting of **shareholders**. Generally speaking the **shareholders** who want to call a meeting must hold at least 10 per cent of the *issued* shares.

reserve fund A fund which has been set aside in the accounts of a **company** - profits which are not paid out to **shareholders** as dividends, or used up in some other way, are held in a reserve fund by the **company**.

revoke To withdraw, or cancel.

rights of any share The rights attached to the share when it is *issued*, or afterwards.

securities All shares, bonds and other investment *instruments issued* by a **company** which entitle the holder to a share in the profits or *assets* of that **company**, to receive a cash payment from a **company** or to subscribe for such a security.

securities seal A seal used to stamp a **company's** securities as evidence that the **company** has *issued* them. A **company's securities seal** is like the **company's** common **seal** but with the additional word "securities" on it.

share premium account If a new share is *issued* by a **company** for more than its *nominal value* (because the market value is more than the *nominal value*) then the amount above the *nominal value* is the *premium*, and the total of these *premiums* is held in a *reserve fund* (which cannot be used to **pay** dividends) called the share *premium* account.

show of hands A vote where each **person** who is entitled to vote has just one vote, however many shares he holds.

special notice This term is defined in Section 312 of the **2006 Act**. Broadly, if *special notice* of a resolution is required, the resolution is not valid unless a **company** has been told about the intention to propose it at least 28 days before the **shareholders'** meeting at which it is proposed (although in certain circumstances the meeting can be on a date less than 28 days from the date of the notice).

special resolution A decision reached by a majority of at least 75 per cent of votes cast.

special rights These are the rights of a particular class of shares, as distinct from rights which apply to all shares generally. Typical examples of special rights are where the shares *rank*, their rights to sharing in income and *assets* and voting rights.

statutory declaration A formal way of declaring something in writing. Particular words and formalities must be used - these are laid down by the Statutory Declarations Act of 1835.

stock Shares which have been converted into a single *security* with a different unit value. For example

a **shareholder** with one hundred 10p shares might be converted into £10 worth of stock.

subdividing shares When shares are subdivided they are split into shares which have a smaller **nominal amount**. For example, a 10p share might be subdivided into two 5p shares.

subject to Means that something else has priority, or prevails, or must be taken into account. When a statement is subject to another statement this means that the first statement must be read in the light of the other statement, which will prevail if there is any conflict.

subscribe for shares To agree to take new shares in a **company** (usually for a cash payment).

subsidiary undertaking Generally speaking this is a **company** which is controlled by another **company** because the other **company**:

- has a majority of the votes in the **company** either alone, or acting with others;
- is a **shareholder** who can appoint or remove a majority of the directors; or
- can *exercise* dominant influence over the **company** because of anything in the **company's articles**, or because of a certain kind of contract.

takeover offer A takeover offer as defined in Section 974 of the 2006 Act.

trustees People who hold property of any kind for the benefit one or more other **people** under a kind of arrangement which the law treats as a "trust". The **people** whose property is held by the trustees are called the *beneficial owners*.

underwrite A **person** who agrees to buy new shares if they are not bought by other people underwrites the share offer.

unincorporated associations Associations, partnerships, societies and other bodies which the law does not treat as a separate legal **person** to their *members*.

wind up The formal process to put an end to a **company**. When a **company** is wound up its *assets* are distributed. The *assets* go first to creditors who have supplied property and services, and then to **shareholders**. Shares which *rank* first in sharing in the **company's assets** will receive any funds which are left over before any shares which *rank* after (or below) them.

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