

**Company No: 7114196**

**THE COMPANIES ACTS 1985 TO 2006**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**OF**

**AWILCO DRILLING PLC**

**(As adopted by Special Resolution passed on 13 April 2011)**

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## CONTENTS

	Page
PART 1 .....	1
INTERPRETATION AND LIMITATION OF LIABILITY .....	1
1    Defined terms .....	1
PART 2 .....	4
DIRECTORS .....	4
Directors' Powers and Responsibilities .....	4
2    Directors' general authority .....	4
3    Number of directors .....	5
4    Members' reserve power .....	5
5    Directors may delegate .....	5
6    Committees .....	5
Decision-Making by directors .....	6
7    Directors to take decisions collectively .....	6
8    Calling a directors' meeting .....	6
9    Participation in directors' meetings .....	7
10   Quorum for directors' meetings .....	7
11   Meetings where total number of directors less than quorum .....	7
12   Chairing directors' meetings .....	8
13   Voting at directors' meetings: general rules .....	8
14   Chairman's casting vote at directors' meetings .....	9
15   Alternates voting at directors' meetings .....	9
16   Conflicts of interest .....	9
17   Proposing directors' written resolutions .....	10
18   Adoption of directors' written resolutions .....	11
19   Telephone board meeting .....	11
20   Directors' discretion to make further rules .....	12
Appointment of directors .....	12
21   Methods of appointing directors .....	12
22   Retirement of directors by rotation .....	12
23   Termination of director's appointment .....	13
24   Directors' remuneration .....	14
25   Directors' expenses .....	14
Alternate directors .....	15
26   Appointment and removal of alternates .....	15
27   Rights and responsibilities of alternate directors .....	15
28   Termination of alternate directorship .....	16
29   Power to borrow money .....	17
Secretary .....	17
30   Secretary .....	17
PART 3 .....	17
DECISION-MAKING BY MEMBERS .....	17

Organisation of General Meetings .....	17
31 Members can call general meeting if not enough directors.....	17
32 Attendance and speaking at general meetings.....	17
33 Quorum for general meetings.....	18
34 Chairing general meetings.....	18
35 Attendance and speaking by directors and non-members .....	19
36 Adjournment.....	19
Voting at General Meetings .....	20
37 Voting: general.....	20
38 Errors and disputes .....	20
39 Demanding a poll .....	20
40 Procedure on a poll.....	21
41 Proxies .....	22
42 Content of Proxy Notices .....	22
43 Delivery of Proxy Notices .....	23
44 Amendments to resolutions .....	24
Restrictions on Members' Rights.....	25
45 No voting of shares on which money owed to Company.....	25
Application of Rules to Class Meetings.....	25
46 Class meetings .....	25
PART 4 .....	25
SHARES AND DISTRIBUTIONS .....	25
Issue of Shares .....	25
47 Powers to issue different classes of share.....	25
48 Allotment at a discount.....	26
49 Payment of commissions on subscription for shares.....	27
Interests in Shares .....	27
50 Purchase of shares .....	27
51 Financial assistance .....	27
52 Power to reduce capital .....	27
53 Company not bound by less than absolute interests.....	27
Shares not held in Certificated Form .....	28
54 Uncertificated shares .....	28
Share Certificates.....	29
55 Share certificates to be issued except in certain cases.....	29
56 Consolidated share certificates .....	31
57 Replacement share certificates .....	31
58 Share warrants .....	32
59 Variation of class rights.....	33
60 Issues of further shares .....	34
Lien on Shares.....	34
61 Lien on partly paid shares.....	34
62 Enforcement of lien .....	34

Call on Shares .....	35
63 Calls.....	35
64 Interest on calls.....	36
65 Sums treated as calls.....	36
66 Power to differentiate .....	36
67 Payment of calls in advance .....	36
Forfeiture on Shares .....	37
68 Notice of unpaid calls.....	37
69 Forfeiture on non compliance with notice.....	37
70 Power to annul forfeiture or surrender .....	37
71 Disposal of forfeited or surrendered shares.....	38
72 Arrears to be paid notwithstanding forfeiture or surrender .....	38
Transfer and Transmission of Shares.....	39
73 Transfers of certificated shares.....	39
74 Transfer of uncertificated shares .....	40
75 Transmission of shares .....	40
76 Transmittees' rights .....	40
77 Exercise of transmittees' rights .....	41
78 Transmittes bound by prior notices .....	41
DISCLOSURE OF INTERESTS IN SHARES .....	41
79 Disclosure of interests in shares .....	41
Consolidation of Shares .....	44
80 Fraction of shares .....	44
81 Procedure for disposing of fractions of shares .....	44
Distributions.....	45
82 Procedure for declaring dividends.....	45
83 Calculation of dividends.....	46
84 Payment of dividends and other distributions .....	46
85 Deductions from distributions in respect of sums owed to the Company .....	47
86 No interest on distributions .....	48
87 Unclaimed distributions.....	48
88 Non-cash distributions.....	49
89 Waiver of distributions.....	49
Record Dates.....	50
90 Fixing of record dates.....	50
Accounts .....	50
91 Accounting records.....	50
Notices .....	50
92 Form of notices.....	50
93 Manner of giving notices.....	51
94 Notice in event failure of postal services .....	53
95 When notice is deemed given.....	54
96 Record date for giving notices.....	55
97 Notice to person entitled by transmission .....	56

Untraced Members.....	56
98 Sale of shares of untraced members .....	56
99 Application of proceeds of sale .....	57
Capitalisation of Profits .....	58
100 Capitalisation of reserves .....	58
101 Capitalisation of reserves – employees’ share schemes .....	59
PART 5 .....	60
MISCELLANEOUS PROVISIONS .....	60
Communications .....	60
102 Means of communication to be used .....	60
103 Failure to notify contact details .....	60
Administrative Arrangements .....	61
104 Seal .....	61
105 Destruction of documents .....	62
106 No right to inspect accounts and other records.....	63
107 Provision for employees on cessation of business .....	63
Directors’ Indemnity and Insurance.....	64
108 Indemnity of directors .....	64
109 Indemnity for qualifying pension scheme .....	64
110 Funds incurred in officer’s defence.....	64
111 Limited Liability.....	64
112 Insurance .....	65
Winding Up.....	65
113 Distribution of assets .....	65

## PART 1

### INTERPRETATION AND LIMITATION OF LIABILITY

#### 1 Defined terms

In the articles, unless the context requires otherwise-

"**alternate**" or "**alternate director**" has the meaning given in article 26;

"**appointor**" has the meaning given in article 26;

"**these articles**" means these articles of association of the Company, as from time to time altered;

"**bankruptcy**" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

"**board**" means the board of directors for the time being of the Company;

"**call**" has the meaning given in article 63;

"**certificate**" means a paper certificate (other than a share warrant) evidencing a person's title to specified shares or other securities;

"**certificated**" in relation to a share, means that it is not an uncertificated share or a share in respect of which a share warrant has been issued and is current;

"**Chairman**" has the meaning given in article 12;

"**Chairman of the meeting**" has the meaning given in article 34;

"**clear days**" means, 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;

"**Company**" means Awilco Drilling PLC;

"**director**" means a director for the time being of the Company;

"**distribution recipient**" has the meaning given in article 84;

"**document**" includes, unless otherwise specified, any document sent or supplied in electronic form;

"**electronic form**" has the meaning given in section 1168 of the Companies Act 2006;

"**fully paid**" in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;

"**hard copy form**" has the meaning given in section 1168 of the Companies Act 2006;

"**holder**" in relation to shares means the person whose name is entered in the register of members as the holder of the shares, or, in the case of a share in respect of which a share warrant has been issued (and not cancelled), the person in possession of that warrant;

"**instrument**" means a document in hard copy form;

"**member**" has the meaning given in section 112 of the Companies Act 2006;

"**ordinary resolution**" has the meaning given in section 282 of the Companies Act 2006;

"**paid**" means paid or credited as paid;

"**participate**" in relation to a directors' meeting, has the meaning given in article 9;

"**partly paid**" in relation to a share means that part of that share's nominal value or any premium at which it was issued has not been paid to the Company;

"**Proxy Notice**" has the meaning given in article 42;

"**Regulations**" means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and any modification thereof or any regulations in substitution therefore for the time being in force;

"**shares**" means shares in the Company;

"**Special Resolution**" has the meaning given in section 283 of the Companies Act 2006;

**“Statutes”** means the Companies Acts, as defined by section 2 of the 2006 Act and every other statute, statutory instrument, regulation or order for the time being in force concerning companies and affecting the Company; and

**"Subsidiary"** has the meaning given in section 1159 of the Companies Act 2006;

**"transmittee"** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;

**"uncertificated"** in relation to a share means that, by virtue of legislation (other than section 778 of the Companies Act 2006) permitting title to shares to be evidenced and transferred without a certificate, title to that share is evidenced and may be transferred without a certificate; and

**"writing"** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- (a) any other words or expressions defined in any of the Statutes (in each case as in force on the date of adoption of these articles) have the same meaning in these articles except that the word “company” includes any body corporate;
- (b) any reference elsewhere in these articles to any statute or statutory provision includes a reference to any modification or re-enactment of it for the time being in force;
- (c) words importing the singular number include the plural number and vice versa, words importing one gender include the other gender and words importing persons include bodies corporate and unincorporated associations;
- (d) any reference to writing includes a reference to any method of reproducing words in a legible form and documents and information sent or supplied in electronic form or made available on a website are in ‘writing’ for the purposes of these articles;
- (e) any reference to doing something by electronic means includes doing it by an electronic communication;
- (f) any reference to a signature or to something being signed or executed includes an electronic signature or other means of verifying the authenticity of an electronic communication which the board may from time to time approve, a signature printed



or reproduced by mechanical or other means or any stamp or other distinctive marking made by or with the authority of the person required to sign the document to indicate it is approved by such person;

- (g) any reference to a document being sealed or executed under seal or under the common seal of any body corporate (including the Company) or any similar expression includes a reference to its being executed in any other manner which has the same effect as if it were executed under seal;
  - (h) any reference to a meeting shall not be taken as requiring more than one person to be present in person if any quorum requirement can be satisfied by one person;
  - (i) any reference to a show of hands includes such other method of casting votes as the board may from time to time approve; and
  - (j) where the Company has a power of sale or other right of disposal in relation to any share, any reference to the power of the Company or the board to authorise a person to transfer that share to or as directed by the person to whom the share has been sold or disposed of shall, in the case of an uncertificated share, be deemed to include a reference to such other action as may be necessary to enable that share to be registered in the name of that person or as directed by him.
- (2) Subject to the Statutes, a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required.
- (3) Headings to these articles are inserted for convenience only and shall not affect construction.

## **PART 2**

### **DIRECTORS**

#### **Directors' Powers and Responsibilities**

##### **2 Directors' general authority**

Subject to these articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company but need not be a member of the Company.

### **3 Number of directors**

The directors (other than alternate directors) shall not, unless otherwise determined by an ordinary resolution of the Company, be less than five nor more than eleven in number.

### **4 Members' reserve power**

- (1) The members may, by Special Resolution, direct the directors to take, or refrain from taking, specified action.
- (2) No such Special Resolution invalidates anything which the directors have done before the passing of the resolution.

### **5 Directors may delegate**

- (1) Subject to these articles, the directors may delegate any of the powers which are conferred on them under these articles-
  - (a) to such person or committee;
  - (b) by such means (including by power of attorney);
  - (c) to such an extent;
  - (d) in relation to such matters or territories; and
  - (e) on such terms and conditions;as they think fit.
- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

### **6 Committees**

- (1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these articles which govern the taking of decisions by directors.

- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from these articles if they are not consistent with them.

### **Decision-Making by directors**

#### **7 Directors to take decisions collectively**

Decisions of the directors may be taken-

- (a) at a directors' meeting, or
- (b) in the form of a directors' written resolution.

#### **8 Calling a directors' meeting**

- (1) Any director may call a directors' meeting.
- (2) The Company secretary must call a directors' meeting if a director so requests.
- (3) A directors' meeting is called by giving notice of the meeting to the directors.
- (4) Notice of any directors' meeting must indicate-
  - (a) its proposed date and time;
  - (b) where it is to take place; and
  - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (5) Notice of a directors' meeting must be given to each director, but need not be in writing.
- (6) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **9 Participation in directors' meetings**

- (1) Subject to these articles, directors participate in a directors' meeting, or part of a directors' meeting, when-
  - (a) the meeting has been called and takes place in accordance with these articles, and
  - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

## **10 Quorum for directors' meetings**

- (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

## **11 Meetings where total number of directors less than quorum**

- (1) This article applies where the total number of directors for the time being is less than the quorum for directors' meetings.
- (2) If there is only one director, that director may appoint sufficient directors to make up a quorum or call a general meeting or annual general meeting to do so.
- (3) If there is more than one director-
  - (a) a directors' meeting may take place, if it is called in accordance with the articles and at least two directors participate in it, with a view to appointing sufficient directors to make up a quorum or calling a general meeting or annual general meeting to do so, and

- (b) if a directors' meeting is called but only one director attends at the appointed date and time to participate in it, that director may appoint sufficient directors to make up a quorum or call a general meeting or annual general meeting to do so.

## **12 Chairing directors' meetings**

- (1) The general meeting of the Company may by ordinary resolution appoint a director to chair the meetings of the directors. If the general meeting has not made such appointment, or the director so appointed ceases for any reason to be a director, the board may appoint a director to chair its meetings.
- (2) The person so appointed for the time being is known as the Chairman.
- (3) The directors may appoint other directors as deputy or assistant chairmen to chair directors' meetings in the Chairman's absence.
- (4) The directors may terminate the appointment of the Chairman, deputy or assistant Chairman at any time.
- (5) If neither the Chairman nor any director appointed generally to chair directors' meetings in the Chairman's absence is participating in a meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

## **13 Voting at directors' meetings: general rules**

- (1) Subject to the articles, a decision is taken at a directors' meeting by a majority of the votes of the participating directors.
- (2) Subject to the articles, each director participating in a directors' meeting has one vote.
- (3) Subject to the articles, if a director has an interest in an actual or proposed transaction or arrangement with the Company-
  - (a) that director and that director's alternate may not vote on any proposal relating to it, but

- (b) this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointor who does not have such an interest.

**14 Chairman's casting vote at directors' meetings**

- (1) If the numbers of votes for and against a proposal are equal, the Chairman or other director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the articles, the Chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

**15 Alternates voting at directors' meetings**

A director who is also an alternate director has an additional vote on behalf of each appointor who is-

- (a) not participating in a directors' meeting, and
- (b) would have been entitled to vote if they were participating in it.

**16 Conflicts of interest**

- (1) If a directors' meeting, or part of a directors' meeting, is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, that director is not to be counted as participating in that meeting, or part of a meeting, for quorum or voting purposes.
- (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in a decision at a directors' meeting, or part of a directors' meeting, relating to it for quorum and voting purposes.
- (3) This paragraph applies when-
  - (a) the Company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in, or voting at, a directors' meeting;

- (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - (c) the director's conflict of interest arises from a permitted cause.
- (4) For the purposes of this article, the following are permitted causes-
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;
  - (b) subscription, or an agreement to subscribe, for shares or other securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
  - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Company or any of its subsidiaries which do not provide special benefits for directors or former directors.
- (5) Subject to paragraph (6), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any director other than the Chairman is to be final and conclusive.
- (6) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the Chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

## **17 Proposing directors' written resolutions**

- (1) Any director may propose a directors' written resolution.
- (2) The Company secretary must propose a directors' written resolution if a director so requests.

- (3) A directors' written resolution is proposed by giving notice of the proposed resolution to the directors.
- (4) Notice of a proposed directors' written resolution must indicate-
  - (a) the proposed resolution, and
  - (b) the time by which it is proposed that the directors should adopt it.
- (5) Notice of a proposed directors' written resolution must be given in writing to each director.
- (6) Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.

## **18 Adoption of directors' written resolutions**

- (1) A proposed directors' written resolution is adopted when all the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it, provided that those directors would have formed a quorum at such a meeting.
- (2) It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted.
- (3) Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the articles.
- (4) The Company secretary must ensure that the Company keeps a record, in writing, of all directors' written resolutions for at least ten years from the date of their adoption.

## **19 Telephone board meeting**

- (1) A board meeting may consist of a conference between directors some or all of whom are in different places provided that each director may participate in the



business of the meeting whether directly, by telephone or by any other electronic means which enables him:

- (a) to hear each of the other participating directors addressing the meeting; and
  - (b) if he so wishes, to address all of the other participating directors simultaneously.
- (2) A quorum is deemed to be present if at least the number of directors required to form a quorum, subject to the provisions of article 663, may participate in the manner specified above in the business of the meeting.
- (3) A board meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

## **20 Directors' discretion to make further rules**

Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

### **Appointment of directors**

## **21 Methods of appointing directors**

Any person who is willing to act as a director, either to fill a vacancy or as an additional director, and is permitted by law to do so, may be appointed to be a director-

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

## **22 Retirement of directors by rotation**

- (1) At the first annual general meeting all the directors must retire from office.
- (2) At every subsequent annual general meeting any directors-

- (a) who have been appointed by ordinary resolution or the directors since the last annual general meeting, or
- (b) who were not appointed or reappointed at one of the preceding two annual general meetings,

must retire from office and may offer themselves for reappointment by the members.

## **23 Termination of director's appointment**

- (1) A person ceases to be a director as soon as-
  - (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
  - (b) a bankruptcy order is made against that person;
  - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
  - (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
  - (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
  - (f) notification is received by the Company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms.
- (2) The Company by extraordinary resolution, or by ordinary resolution of which special notice has been given in accordance with the Statutes, may remove any director before his period of office has expired notwithstanding anything in these articles or in any agreement between him and the Company.

- (3) A director may also be removed from office by notice to that effect signed by or on behalf of all the other directors (or their alternates).

## **24 Directors' remuneration**

- (1) Directors may undertake any services for the Company that the directors decide.
- (2) Subject to article 24(3) below, the directors are entitled to such remuneration and fees for their services to the Company in relation to the performance of the office of director as may be determined by the Company in general meeting by ordinary resolutions-
- (3) Directors who are employed by the Company shall be entitled to such remuneration in respect of such employment as the directors may determine.
- (4) Subject to the articles, a director's remuneration may-
  - (a) take any form, and
  - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- (5) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (6) Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

## **25 Directors' expenses**

The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at-

- (a) meetings of directors or committees of directors,
- (b) general meetings or annual general meeting, or

- (c) separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

### **Alternate directors**

#### **26 Appointment and removal of alternates**

- (1) Any director (the "**appointor**") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to-
  - (a) exercise that director's powers, and
  - (b) carry out that director's responsibilities,in relation to the taking of decisions by the directors in the absence of the alternate's appointor.
- (2) Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.
- (3) The notice must-
  - (a) identify the proposed alternate, and
  - (b) in the case of a notice of appointment, contain a statement signed by the proposed  
alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

#### **27 Rights and responsibilities of alternate directors**

- (1) An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.
- (2) Except as the articles specify otherwise, alternate directors-
  - (a) are deemed for all purposes to be directors;

- (b) are liable for their own acts and omissions;
  - (c) are subject to the same restrictions as their appointors; and
  - (d) are not deemed to be agents of or for their appointors.
- (3) A person who is an alternate director but not a director-
- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
  - (b) may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).

No alternate may be counted as more than one director for such purposes.

- (4) An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

## **28 Termination of alternate directorship**

- (1) An alternate director's appointment as an alternate terminates-
- (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
  - (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
  - (c) on the death of the alternate's appointor; or
  - (d) when the alternate's appointor's appointment as a director terminates, except that an alternate's appointment as an alternate does not terminate when the appointor retires by rotation at a annual general meeting and is then re-appointed as a director at the same general meeting.

**29 Power to borrow money**

- (1) The directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital and, subject to the Statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

**Secretary**

**30 Secretary**

Subject to the Statutes, the secretary shall be appointed by the board for such term, at such remuneration and on such conditions as it thinks fit, and the board may remove from office any person so appointed (without prejudice to any claim for damages for breach of any contract between him and the Company).

**PART 3**

**DECISION-MAKING BY MEMBERS**

**Organisation of General Meetings**

**31 Members can call general meeting if not enough directors**

If-

- (a) the Company has fewer than two directors, and
- (b) the director (if any) is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so,

then two or more members may call a general meeting (or instruct the Company secretary to do so) for the purpose of appointing one or more directors.

**32 Attendance and speaking at general meetings**

- (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during

the meeting, any information or opinions which that person has on the business of the meeting.

- (2) A person is able to exercise the right to vote at a general meeting when-
  - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

### **33 Quorum for general meetings**

No business other than the appointment of the Chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum, save as herein otherwise provided, two members present in person or by proxy and entitled to vote shall be a quorum.

### **34 Chairing general meetings**

- (1) The Chairman shall chair general meetings if present and willing to do so.
- (2) If no Chairman has been appointed prior to the meeting, or if the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start-
  - (a) the directors present, or

(b) (if no directors are present), the general meeting,

must appoint a director or member to chair the meeting, and the appointment of the Chairman of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as "**the Chairman of the meeting**".

### **35 Attendance and speaking by directors and non-members**

(1) directors may attend and speak at general meetings, whether or not they are members.

(2) The Chairman of the meeting may permit other persons who are not-

(a) members of the Company, or

(b) otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting.

### **36 Adjournment**

(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairman of the meeting must adjourn it.

(2) The Chairman of the meeting may adjourn a general meeting at which a quorum is present if-

(a) the meeting consents to an adjournment, or

(b) it appears to the Chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

(3) The Chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting, the Chairman of the meeting must-



- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than fourteen days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)-
- (a) to the same persons to whom notice of the Company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

### **Voting at General Meetings**

#### **37 Voting: general**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

#### **38 Errors and disputes**

- (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (2) Any such objection must be referred to the Chairman of the meeting whose decision is final.

#### **39 Demanding a poll**

- (1) A poll on a resolution may be demanded-
  - (a) in advance of the general meeting where it is to be put to the vote, or

- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by-
- (a) the Chairman of the meeting;
  - (b) the directors;
  - (c) two or more persons having the right to vote on the resolution; or
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if-
- (a) the poll has not yet been taken, and
  - (b) the Chairman of the meeting consents to the withdrawal.

#### **40 Procedure on a poll**

- (1) Subject to the articles, polls at general meetings must be taken when, where and in such manner as the Chairman of the meeting directs.
- (2) The Chairman of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared.
- (3) The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.
- (4) A poll on-
  - (a) the election of the Chairman of the meeting, or
  - (b) a question of adjournment,must be taken immediately.
- (5) Other polls must be taken within thirty days of their being demanded.

- (6) A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded.
- (7) No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded.
- (8) In any other case, at least seven days' notice must be given specifying the time and place at which the poll is to be taken.

#### **41 Proxies**

- (1) A proxy need not be a member of the Company and a member may appoint more than one proxy to attend on the same occasion. If he does so he shall specify the number of shares held by him in respect of which each proxy is entitled to exercise rights. References in these articles to an appointment of proxy include references to an appointment of proxy and include references to an appointment of multiple proxies. The member is entitled to appoint proxies to exercise all or any of his rights to attend and speak and vote at a meeting of the Company.
- (2) The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting at a show of hands or on the poll concerned. In the event that, and to the extent that, a member personally votes his shares, his proxy or proxies shall not be entitled to vote and any vote cast by a proxy in such circumstances shall be ignored.
- (3) The appointment of a proxy shall only be valid for the meeting mentioned in it and any adjournment of that meeting (including on any poll demanded at the meeting or any adjourned meeting).

#### **42 Content of Proxy Notices**

- (1) Proxies may only validly be appointed by a notice in writing (a "**Proxy Notice**") which-
  - (a) states the name and address of the member appointing the proxy;
  - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;

- (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - (d) is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.
  - (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
  - (4) Unless a Proxy Notice indicates otherwise, it must be treated as-
    - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
    - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

#### **43 Delivery of Proxy Notices**

- (1) Any notice of a general meeting must specify the address or addresses ("**proxy notification address**") at which the Company or its agents will receive Proxy Notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.
- (2) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.
- (3) Subject to paragraphs (4) and (5), a Proxy Notice must be delivered to a proxy notification address not less than 48 hours before the general meeting or adjourned meeting to which it relates.

- (4) In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll.
- (5) In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the Proxy Notice must be delivered-
  - (a) in accordance with paragraph (3), or
  - (b) at the meeting at which the poll was demanded to the Chairman, secretary or any director.
- (6) An appointment under a Proxy Notice may be revoked by delivering a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given to a proxy notification address.
- (7) A notice revoking a proxy appointment only takes effect if it is delivered before-
  - (a) the start of the meeting or adjourned meeting to which it relates, or
  - (b) (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates.
- (8) If a Proxy Notice is not signed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

#### **44 Amendments to resolutions**

- (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if-
  - (a) notice of the proposed amendment is given to the Company secretary in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the meeting may determine), and
  - (b) the proposed amendment does not, in the reasonable opinion of the Chairman of the meeting, materially alter the scope of the resolution.

- (2) A Special Resolution to be proposed at a general meeting may be amended by ordinary resolution, if-
  - (a) the Chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the Chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error does not invalidate the vote on that resolution.

### **Restrictions on Members' Rights**

#### **45 No voting of shares on which money owed to Company**

No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the Company in respect of that share have been paid.

### **Application of Rules to Class Meetings**

#### **46 Class meetings**

The provisions of the articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares.

## **PART 4**

### **SHARES AND DISTRIBUTIONS**

#### **Issue of Shares**

#### **47 Powers to issue different classes of share**

- (1) Subject to the articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights (including preferred, deferred or other special rights) or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to

time by ordinary resolution determine (or, in the absence of any such determination, as the directors may determine).

- (2) If as a result of any consolidation and division or sub division of shares any members would become entitled to fractions of a share, the board may deal with the fractions as it thinks fit. In particular, the board may:
  - (a) (on behalf of those members) aggregate and sell the shares representing the fractions to any person (including, subject to the Statutes, the Company) and distribute the net proceeds of sale in due proportion among those members (except that any proceeds in respect of any holding less than a sum fixed by the board may be retained for the benefit of the Company); or
  - (b) subject to the Statutes, first, allot to a member credited as fully paid by way of capitalisation of any reserve account of the Company such number of shares as rounds up his holding to a number which, following consolidation and division or sub division, leaves a whole number of shares.
- (3) The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares provided that this is done before the shares are allotted.
- (4) The directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the directors may think fit to impose.

#### **48 Allotment at a discount**

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

#### **49 Payment of commissions on subscription for shares**

- (1) The Company may pay any person a commission in consideration for that person-
  - (a) subscribing, or agreeing to subscribe, for shares, or
  - (b) procuring, or agreeing to procure, subscriptions for shares.
- (2) Any such commission may be paid-
  - (a) in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other, and
  - (b) in respect of a conditional or an absolute subscription.
- (3) The Company may also on any issue of shares pay such brokerage as may be lawful.

### **Interests in Shares**

#### **50 Purchase of shares**

Subject to the provisions of the Statutes, the Company may purchase any of its own shares (including any redeemable shares).

#### **51 Financial assistance**

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

#### **52 Power to reduce capital**

Subject to the Statutes and to any rights conferred on the holders of any class of shares, the Company may by special resolution reduce its share capital, any capital redemption reserve, share premium account or redenomination reserve in any way.

#### **53 Company not bound by less than absolute interests**

Except as required by Statute or pursuant to the provisions of these articles, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by Statutes or these articles, the Company is not bound by or



compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

### **Shares not held in Certificated Form**

#### **54 Uncertificated shares**

- (1) Any share or class of shares of the Company may be issued or held on such terms, or in such a way subject to these articles and the Regulations, that-
  - (a) title to it or them is not, or must not be, evidenced by a certificate, or
  - (b) it or they may or must be transferred wholly or partly without a certificate.
- (2) The directors have power to take such steps as they think fit subject to these articles and the Regulations in relation to-
  - (a) the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares) subject to the requirements of the relevant system concerned;
  - (b) the conversion of certificated shares into uncertificated shares; or
  - (c) the conversion of uncertificated shares into certificated shares.
- (3) If-
  - (a) these articles give the directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares, and
  - (b) uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,

the directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares.

- (4) In particular, the directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.
- (5) The Company shall enter on the Register how many shares are held by each member in uncertificated form and in certificated form and shall maintain the Register in each case as required by the Regulations and the relevant system concerned. Unless the directors otherwise determine, shares which a member holds in uncertificated form must be treated as separate holdings from any shares which that member holds in certificated form.
- (6) A class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these articles or the Regulations which applies only in respect of certificated or uncertificated shares.
- (7) The Company shall be entitled, in accordance with regulation 32(2)(c) of the Regulations, to require the conversion of an uncertificated share into certificated form to enable it to deal with that share in accordance with any provision in these articles.

### **Share Certificates**

#### **55 Share certificates to be issued except in certain cases**

- (1) This article does not apply to-
  - (a) uncertificated shares;
  - (b) shares in respect of which a share warrant has been issued; or
  - (c) shares in respect of which the Statutes permit the Company not to issue a certificate.
- (2) Subject to these articles, every person (other than a recognized clearing house (within the meaning of the Financial Services and Markets Act 2000) or a nominee of a recognized clearing house or of a recognized investment exchange (within the meaning of the Financial Services and Markets Act 2000) in respect of whom the Company is not by law required to complete and have ready for

delivery a certificate) upon becoming the holder of a certificated share and whose name is entered as a member on the Register shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all the certificated shares registered in his name.

- (3) In the case of shares of more than one class being registered in a member's name, a separate certificate for each class of certificated shares so registered, and where a member (except such a clearing house or nominee) transfers part of the shares of any class registered in his name he shall be entitled without payment to one certificate for the balance of certificated shares of that class retained by him.
- (4) In the case of joint holders, the Company shall not be bound to issue more than one certificate for all the shares in any particular class registered in their joint names, and delivery of a certificate for a share to any one of the joint holders shall be sufficient delivery to all.
- (5) A share certificate may be issued under seal or signed by at least one director and the secretary or by at least two directors (which may include any signature being applied mechanically or electronically). A share certificate shall specify the number and class and the distinguishing number (if any) of the shares to which it relates and the amount or respective amounts paid up on the shares, have affixed to them the Company's common seal and be otherwise executed in accordance with the Companies Acts. Any certificate so issued shall, as against the Company, be prima facie evidence of title of the person named in that certificate to the shares comprised in it.
- (6) A share certificate may be given to a member in accordance with the provisions of these articles on notices.
- (7) Except as otherwise specified in the articles, all certificates shall be issued free of charge but should a member require additional certificates, he shall pay for each additional certificate such reasonable sum (if any) as the directors may determine.
- (8) No certificate may be issued in respect of shares of more than one class.

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

## **56 Consolidated share certificates**

- (1) A member may request the Company, in writing, to replace-
  - (a) the member's separate certificates with a consolidated certificate, or
  - (b) the member's consolidated certificate with two or more separate certificates representing such proportion of the shares as the member may specify.
- (2) When the Company complies with such a request it may charge such reasonable fee as the directors may decide for doing so.
- (3) A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the Company for cancellation.

## **57 Replacement share certificates**

- (1) If a certificate issued in respect of a member's shares is-
  - (a) damaged or defaced, or
  - (b) said to be lost, stolen or destroyed,then upon proof thereof to the satisfaction of the directors and on such indemnity with or without security as the directors deem adequate being given, a new certificate in lieu thereof shall be given to such member.
- (2) Every certificate issued under the last preceding Article shall be issued without payment, but there shall be paid to the Company such exceptional out-of-pocket expenses of the Company in connection with the request (including, without limiting the generality of the foregoing, the investigation of such request and the preparation and execution of any such indemnity or security) as the directors think fit.

## 58 Share warrants

- (1) The directors may issue a share warrant in respect of any fully paid share.
- (2) share warrants must be-
  - (a) issued in such form, and
  - (b) executed in such manner,as the directors decide.
- (3) A share represented by a share warrant may be transferred by delivery of the warrant representing it.
- (4) The directors may make provision for the payment of dividends in respect of any share represented by a share warrant.
- (5) Subject to the articles, the directors may decide the conditions on which any share warrant is issued. In particular, they may-
  - (a) decide the conditions on which new warrants are to be issued in place of warrants which are damaged or defaced, or said to have been lost, stolen or destroyed;
  - (b) decide the conditions on which bearers of warrants are entitled to attend and vote at general meetings;
  - (c) decide the conditions subject to which bearers of warrants may surrender their warrant so as to hold their shares in certificated or uncertificated form instead; and
  - (d) vary the conditions of issue of any warrant from time to time,and the bearer of a warrant is subject to the conditions and procedures in force in relation to it, whether or not they were decided or specified before the warrant was issued.
- (6) Subject to the conditions on which the warrants are issued from time to time, bearers of share warrants have the same rights and privileges as they would if

their names had been included in the register as holders of the shares represented by their warrants.

- (7) The Company must not in any way be bound by or recognise any interest in a share represented by a share warrant other than the absolute right of the bearer of that warrant to that warrant.

### **Variation of Rights**

#### **59 Variation of class rights**

- (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class or any of such rights may, subject to the provisions of the Statutes, whether or not the Company is being wound up, be abrogated or varied with the consent in writing of the holders of at least three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares), or with the sanction of a special resolution passed at a separate general meeting or an annual general meeting of the holders of the shares of that class.
- (2) The provisions of chapter 3 of part 13 of the 2006 Act (save as stated in section 334(2) to (3)) and the provisions of these articles relating to general meetings and annual general meeting shall, mutatis mutandis, so far as applicable apply, subject to the following provisions, namely:
  - (a) the necessary quorum at any such meeting, other than an adjourned meeting, shall be two persons present holding at least one-third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares) For the avoidance of doubt, where a member has appointed several proxies only one such proxy shall count towards the quorum and he is treated as holding only the shares in respect of which those proxies are authorised to exercise voting rights;
  - (b) at an adjourned meeting one person present holding shares of the class in question or his proxy;
  - (c) every holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him; and

- (d) any holder of shares of the class in question present in person or by proxy may demand a poll.

## **60 Issues of further shares**

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

## **Lien on Shares**

### **61 Lien on partly paid shares**

- (1) The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable (whether or not due) in respect of that share. The lien shall extend to every amount payable in respect of that share.
- (2) The directors may at any time either generally or in any particular case declare any share to be wholly or partly exempt from this article. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien (if any) on that share.

### **62 Enforcement of lien**

- (1) The Company may sell any share subject to a lien in such manner as the board may decide if an amount payable on the share is due and is not paid within fourteen clear days after a notice has been given to the holder or any person entitled by transmission to the share demanding payment of that amount and giving notice of intention to sell in default.
- (2) To give effect to any sale under this article, the board may authorise some person to transfer the share sold to, or as directed by, the purchaser. The purchaser shall not be bound to see to the application of the purchase money nor shall the title of the new holder to the share be affected by any irregularity in or invalidity of the proceedings relating to the sale.
- (3) The net proceeds of the sale, after payment of the costs, shall be applied in or towards satisfaction of the amount due and any residue shall (subject to a like lien

for any amounts not presently due as existed on the share before the sale), on surrender of the certificate for the shares sold, be paid to the holder or person entitled by transmission to the share immediately before the sale.

(4) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied-

(a) first, in payment of so much of the sum for which the lien exists as is presently payable,

(b) second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent,

to the lien over the shares before the sale for any money presently payable in respect of the shares at the date of sale.

(5) A statutory declaration in writing that the declarant is a director or the Company Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy the Company's Lien on a date specified in the declaration:

(a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

(b) subject to compliance with any other formalities of transfer required by these articles or by Statutes, constitutes a good title to the share and to the person to whom the share is sold, re-allotted or disposed of

### **Call on Shares**

## **63 Calls**

(1) Subject to the terms of allotment, the directors may make calls on the members in respect of any moneys unpaid on their shares (whether in respect of nominal amount or premium) and each member shall (subject to his receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be revoked or postponed as the board may decide.



- (2) Any call may be made payable in one sum or by instalments and shall be deemed to be made at the time when the resolution of the board authorising that call is passed.
- (3) A person on whom a call is made shall remain liable for it notwithstanding the subsequent transfer of the share in respect of which the call is made.
- (4) The joint holders of a share shall be jointly and severally liable for the payment of all calls in respect of that share.

#### **64 Interest on calls**

If a call is not paid before or on the due date for payment, the person from whom it is due shall pay interest on the amount unpaid, from the due date for payment to the date of actual payment, at such rate as the directors may decide, but the directors may waive payment of the interest, wholly or in part.

#### **65 Sums treated as calls**

A sum which by the terms of allotment of a share is payable on allotment, or at a fixed time, or by instalments at fixed times, shall for all purposes of these articles be deemed to be a call duly made and payable on the date or dates fixed for payment and, in case of non payment, these articles shall apply as if that sum had become payable by virtue of a call.

#### **66 Power to differentiate**

On any issue of shares the directors may make arrangements for a difference between the allottees or holders of the shares in the amounts and times of payment of calls on their shares.

#### **67 Payment of calls in advance**

The directors may, if it thinks fit, receive all or any part of the moneys payable on a share beyond the sum actually called up on it if the holder is willing to make payment in advance and, on any moneys so paid in advance, may (until they would otherwise be due) pay interest at such rate as may be agreed between the directors and the member paying the sum in advance.

## **Forfeiture on Shares**

### **68 Notice of unpaid calls**

- (1) If the whole or any part of any call or instalment remains unpaid on any share after the due date for payment, the directors may give a notice to the holder requiring him to pay so much of the call or instalment as remains unpaid, together with any accrued interest.
- (2) The notice shall state a further day, being not less than fourteen clear days from the date of the notice, on or before which, and the place where, payment is to be made and shall state that, in the event of non payment on or before the day and at the place appointed, the share in respect of which the call was made or instalment is payable will be liable to be forfeited.
- (3) The directors may accept a surrender of any share liable to be forfeited.

### **69 Forfeiture on non compliance with notice**

- (1) If the requirements of a notice given under the preceding article are not complied with, any share in respect of which it was given may (before the payment required by the notice is made) be forfeited by a resolution of the directors. The forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
- (2) If a share is forfeited, notice of the forfeiture shall be given to the person who was the holder of the share or (as the case may be) the person entitled to the share by transmission, and an entry that notice of the forfeiture has been given, with the relevant date, shall be made in the register; but no forfeiture shall be invalidated by any omission to give such notice or to make such entry.

### **70 Power to annul forfeiture or surrender**

The directors may, at any time before the forfeited or surrendered share has been sold, re allotted or otherwise disposed of, annul the forfeiture or surrender upon payment of all calls and interest due on or incurred in respect of the share and on such further conditions (if any) as it thinks fit.

## **71 Disposal of forfeited or surrendered shares**

- (1) Every share which is forfeited or surrendered shall become the property of the Company and (subject to the Statutes) may be sold, re allotted or otherwise disposed of, upon such terms and in such manner as the directors shall decide either to the person who was before the forfeiture the holder of the share or to any other person and whether with or without all or any part of the amount previously paid up on the share being credited as so paid up. The directors may for the purposes of a disposal authorise some person to transfer the forfeited or surrendered share to, or in accordance with the directions of, any person to whom the same has been disposed of.
- (2) A statutory declaration by a director or the Company Secretary of the Company that a share has been forfeited or surrendered on a specified date shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts stated in it and shall (subject to the execution of any necessary transfer) constitute a good title to the share. The person to whom the share has been disposed of shall not be bound to see to the application of the consideration for the disposal (if any) nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings connected with the forfeiture, surrender, sale, re allotment or disposal of the share.

## **72 Arrears to be paid notwithstanding forfeiture or surrender**

A person any of whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered share and shall surrender to the Company for cancellation any certificate for the share forfeited or surrendered, but shall remain liable (unless payment is waived in whole or in part by the board) to pay to the Company all moneys payable by him on or in respect of that share at the time of forfeiture or surrender, together with interest from the time of forfeiture or surrender until payment at such rate as the board shall decide, in the same manner as if the share had not been forfeited or surrendered. He shall also be liable to satisfy all the claims and demands (if any) which the Company might have enforced in respect of the share at the time of forfeiture or surrender. No deduction or allowance shall be made for the value of the share at the time of forfeiture or surrender or for any consideration received on its disposal.

## Transfer and Transmission of Shares

### 73 Transfers of certificated shares

- (1) certificated shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of-
  - (a) the transferor, and
  - (b) (if any of the shares is partly paid) the transferee.
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The Company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a certificated share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a share (whether a certificated or an uncertificated share) if-
  - (a) the share is not fully paid;
  - (b) the transfer is not lodged at the Company's registered office or such other place as the directors have appointed;
  - (c) the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
  - (d) the transfer is in respect of more than one class of share; or
  - (e) the transfer is in favour of more than four transferees.
- (6) If the directors refuse to register a transfer they shall, in the case of certificated shares, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal and (except in the case of

fraud) return to him the instrument of transfer or, in the case of uncertificated shares, notify such person as may be required by the Regulations and the requirements of the relevant system concerned.

#### **74 Transfer of uncertificated shares**

All transfers of uncertificated shares shall be made in accordance with and be subject to the provisions of the Regulations and the requirements of the relevant system.

#### **75 Transmission of shares**

- (1) If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- (2) Nothing in these articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member.
- (3) In relation to the transfer of any share (whether a certificated or an uncertificated share) the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.

#### **76 Transmittees' rights**

- (1) A transmittee who produces such evidence of entitlement to shares as the directors may properly require-
  - (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
  - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (2) But transmittees do not have the right to attend or vote at a general meeting or annual general meeting in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares

## **77 Exercise of transmitters' rights**

- (1) transmitters who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.
- (2) If the share is a certificated share and a transmitter wishes to have it transferred to another person, the transmitter must execute an instrument of transfer in respect of it.
- (3) If the share is an uncertificated share and the transmitter wishes to have it transferred to another person, the transmitter must-
  - (a) procure that all appropriate instructions are given to effect the transfer, or
  - (b) procure that the uncertificated share is changed into certificated form and then execute an instrument of transfer in respect of it.
- (4) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmitter has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

## **78 Transmitters bound by prior notices**

If a notice is given to a member in respect of shares and a transmitter is entitled to those shares, the transmitter is bound by the notice if it was given to the member before the transmitter's name has been entered in the register of members.

### **Disclosure of interest in shares**

## **79 Disclosure of interests in shares**

- (1) This article applies where the Company gives to the holder of a share or to any person appearing to be interested in a share a notice requiring any of the information mentioned in section 793 of the 2006 Act (a "section 793 notice").
- (2) If a section 793 notice is given by the Company to a person appearing to be interested in any share, a copy shall at the same time be given to the holder, but the accidental omission to do so or the non receipt of the copy by the holder shall not prejudice the operation of the following provisions of this article.

- (3) If the holder of, or any person appearing to be interested in, any share has been given a section 793 notice and, in respect of that share (a “**default share**”), has been in default for a period of 14 days after the section 793 notice has been given in supplying to the Company the information required by the section 793 notice, the restrictions referred to below shall apply. Those restrictions shall continue for the period specified by the board, being not more than seven days after the earlier of:
- (a) the Company being notified that the default shares have been sold pursuant to an exempt transfer; or
  - (b) due compliance, to the satisfaction of the board, with the section 793 notice.

The board may waive these restrictions, in whole or in part, at any time.

- (4) The restrictions referred to above are as follows:
- (a) if the default shares in which any one person is interested or appears to the Company to be interested represent less than 0.25 per cent. (in nominal value) of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares, to attend or to vote, either personally or by proxy, at any general meeting or annual general meeting of the Company; or
  - (b) if the default shares in which any one person is interested or appears to the Company to be interested represent at least 0.25 per cent. (in nominal value) of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares:
    - (i) to attend or to vote, either personally or by proxy, at any general meeting or annual general meeting of the Company; or
    - (ii) to receive any dividend or other distribution; or
    - (iii) to transfer or agree to transfer any of those shares or any rights in them.

The restrictions in subparagraphs (a) and (b) above shall not prejudice the right of either the member holding the default shares or, if different, any person having a power of sale over those shares to sell or agree to sell those shares under an exempt transfer.

- (5) If any dividend or other distribution is withheld under paragraph (4)(b) above, the member shall be entitled to receive it as soon as practicable after the restriction ceases to apply.
- (6) If, while any of the restrictions referred to above apply to a share, another share is allotted in right of it (or in right of any share to which this paragraph applies), the same restrictions shall apply to that other share as if it were a default share. For this purpose, shares which the Company allots, or procures to be offered, pro rata (disregarding fractional entitlements and shares not offered to certain members by reason of legal or practical problems associated with issuing or offering shares outside the United Kingdom) to holders of shares of the same class as the default share shall be treated as shares allotted in right of existing shares from the date on which the allotment is unconditional or, in the case of shares so offered, the date of the acceptance of the offer.
- (7) For the purposes of this article:
  - (a) an "**exempt transfer**" in relation to any share is a transfer pursuant to:
    - (i) a sale of the share on a recognised investment exchange as defined in the Financial Services and Markets Act 2000 in the United Kingdom or on any stock exchange outside the United Kingdom on which shares of that class are listed or normally traded; or
    - (ii) a sale of the whole beneficial interest in the share to a person whom the board is satisfied is unconnected with the existing holder or with any other person appearing to be interested in the share; or
    - (iii) acceptance of a takeover offer (as defined for the purposes of Part 28 of the 2006 Act);



- (b) the percentage of the issued shares of a class represented by a particular holding shall be calculated by reference to the shares in issue at the time when the section 793 notice is given; and
  - (c) a person shall be treated as appearing to be interested in any share if the Company has given to the member holding such share a section 793 notice and either (i) the member has named the person as being interested in the share or (ii) (after taking into account any response to any section 793 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 share.
- (8) The provisions of this article are without prejudice to the provisions of section 794 of the 2006 Act and, in particular, the Company may apply to the court under section 794(1) of the 2006 Act whether or not these provisions apply or have been applied.

### **Consolidation of Shares**

#### **80 Fraction of shares**

Subject to any direction by the Company in general meeting, whenever as the result of any consolidation or division of shares members of the Company are entitled to any issued shares of the Company in fractions, the directors may deal with such fractions as they shall determine and in particular may sell the shares to which members are so entitled in fractions to any person (including, subject to the provisions of the Statutes, the Company) and pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sales thereof save for individual entitlements (net of expenses) not exceeding £3 which may be retained for the benefit of the Company.

#### **81 Procedure for disposing of fractions of shares**

- (1) This article applies where-
  - (a) there has been a consolidation or division of shares, and
  - (b) as a result, members are entitled to fractions of shares.
- (2) The directors may-

- (a) sell the shares representing the fractions to any person including the Company for the best price reasonably obtainable;
  - (b) in the case of a certificated share, authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
  - (c) distribute the net proceeds of sale in due proportion among the holders of the shares.
- (3) Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the laws of England and Wales, Scotland or Northern Ireland.
- (4) The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.
- (5) The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

## **Distributions**

### **82 Procedure for declaring dividends**

- (1) The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- (3) No dividend may be declared or paid unless it is in accordance with members' respective rights.
- (4) Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.

- (5) If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

### **83 Calculation of dividends**

- (1) Except as otherwise provided by the articles or the rights attached to shares, all dividends must be-
  - (a) declared and paid according to the amounts paid up on the shares on which the dividend is paid, and
  - (b) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- (2) If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.
- (3) For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

### **84 Payment of dividends and other distributions**

- (1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means-
  - (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if

the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;

- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the articles, "**the distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable-

- (a) the holder of the share; or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or

otherwise by operation of law, the transmittee.

## **85 Deductions from distributions in respect of sums owed to the Company**

(1) If-

- (a) a share is subject to a lien, and
- (b) the directors are entitled to issue an enforcement notice in respect of it,

they may, instead of issuing an enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the Company in respect of that share to the extent that they are entitled to require payment under an enforcement notice.

(2) Money so deducted must be used to pay any of the sums payable in respect of that share.

(3) The Company must notify the distribution recipient in writing of-

- (a) the fact and amount of any such deduction;
- (b) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and
- (c) how the money deducted has been applied.

**86 No interest on distributions**

The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by-

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the Company.

**87 Unclaimed distributions**

(1) All dividends or other sums which are-

- (a) payable in respect of shares, and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.

(2) The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

(3) If-

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

## **88 Non-cash distributions**

- (1) Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any Company).
- (2) If the shares in respect of which such a non-cash distribution is paid are uncertificated, any shares in the Company which are issued as a non-cash distribution in respect of them must be uncertificated.
- (3) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution-
  - (a) fixing the value of any assets;
  - (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
  - (c) vesting any assets in trustees.

## **89 Waiver of distributions**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if-

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

## **Record Dates**

### **90 Fixing of record dates**

- (1) Notwithstanding any other of these articles, but without prejudice to any rights attached to any shares, the Company or the board may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made.
- (2) In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made.

## **Accounts**

### **91 Accounting records**

- (1) The board shall cause accounting records of the Company to be kept in accordance with the Statutes.
- (2) No member (as such) shall have any right of inspecting any account, book or document of the Company, except as conferred by law or authorised by the board or by any ordinary resolution of the Company.

## **Notices**

### **92 Form of notices**

- (1) Except where otherwise expressly stated, any notice to be given to or by any person under these articles shall be in writing or, to the extent permitted by the Statutes and subject to paragraph (2), contained in an electronic communication.
- (2) The board may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of an electronic communication, and may prescribe such procedures as it thinks fit for verifying the authenticity or integrity of any such electronic communication. A notice may be given to the Company by electronic

means only if it is given in accordance with the requirements specified by the board.

### **93 Manner of giving notices**

- (1) A notice in writing, document or other communication may be given or served by the Company to any member either personally or by sending it through the post addressed to the member at his registered address (or if the member has no registered address to the postal address, if any, supplied by him to the Company as his address for the service of notices) or by leaving it at that address.
- (2) Subject to the Statutes, a notice, document or other communication may be given by the Company to any member by electronic means to such address as may from time to time be authorised by the member concerned or by publishing it on a web site where:
  - (a) the Company and that member have agreed to the use of electronic communication for sending copies of documents to the member and:
    - (i) the documents are documents to which the agreement applies; and
    - (ii) copies of the documents are sent using electronic communication to such address (or to one of such addresses if more than one) as may for the time being be notified by the member to the Company for that purpose; or
    - (iii) the Company and that member have agreed to that member having access to documents on a website (instead of documents being sent to him); and:
      - (aa) the member has agreed (generally or specifically) that the notice, document or other communication may be sent or supplied to him by being made available on a website (and has not revoked that agreement), or the member has been asked by the Company to agree that the Company may send or supply notices, documents and other communications generally, or the notice, document or other communication 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 member is therefore taken to have so agreed (and has not revoked that agreement);

(bb) the member is sent a notification of the presence of the notice, document or communication on a website, the address of that website, the place on that website where it may be assessed, and how it may be accessed ("**notification of availability**");

(cc) 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

(dd) the notice, document or communication 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 Statutes, 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 member, save that if the notice, document or communication 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.

(3) A member of the Company which is itself a company shall be deemed to have agreed that the Company may send a notice or other document in accordance with

paragraph 2(a) above if the member is deemed by a provision in the Statutes to have agreed that the notice or document may be so sent.

- (4) In the case of joint holders of a share, any notice, document or other communication given or served by the Company in any manner permitted by these articles to the joint holder who is named first in the register in respect of the joint holding shall be deemed to be given to all other holders of the share. The agreement of the first named holder that notices, documents and other communications may be given, sent or supplied in electronic form or by being made available on a website shall be binding on all the joint holders.
- (5) A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom (not being an electronic address) at which notices may be given to him shall be entitled to have notices given to him at that address but, unless he does so, shall not be entitled to receive any notice from the Company.
- (6) For the avoidance of doubt, the provisions of this article 112 are subject to article 27.

#### **94 Notice in event failure of postal services**

If at any time by reason of the suspension or curtailment of postal services within the United Kingdom or any part of the United Kingdom, or of services for delivery by electronic means, the Company is unable in the opinion of the board effectively to convene a general meeting or annual general meeting by notices sent through the post (or by notification by post as to the availability of the notice of meeting on a website) or (in the case of those members in respect of whom an address has for the time being been notified to the Company, in a manner specified by the board, for the purpose of giving notices by electronic means) by electronic means, the board may decide that the only persons to whom notice of the affected general meeting or annual general meeting must be sent are:

- (a) the board;
- (b) the Company's auditors;

- (c) those members to whom notice to convene the general meeting or annual general meeting can validly be sent by electronic means; and
- (d) those members to whom notice to convene the general meeting or annual general meeting can validly be sent by means of a website and 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:

- (i) send confirmatory copies of the notice (or a confirmatory notification as to the availability of the notice on the Company's website in the case of those members to whom notice to convene the general meeting or annual general meeting can validly be sent by means of a website but to whom notification as to the availability of the notice of the meeting on a website cannot validly be sent by electronic means) by post or (as the case may be) by electronic means if, at least seven days prior to the date of the general meeting or annual general meeting, the posting of notices to addresses throughout the United Kingdom or (as the case may be) the sending of notices by electronic means again becomes, in the opinion of the board, practicable;
- (ii) advertise the notice of meeting in at least one national newspaper; and
- (iii) make the notice of meeting available on its website from the day the notice was sent until the conclusion of the meeting or any adjournment thereof.

## **95 When notice is deemed given**

- (1) Any notice in writing, document or other communication, if sent by first class post, shall be deemed to have been given on the day following that on which the envelope containing it is put into the post, or, if sent by second class post, shall be deemed to have been given on the second day following that on which the envelope containing it is put into the post and in proving that a notice, document or other communication has been given it shall be sufficient to prove that the letter, envelope or wrapper containing the notice, document or other communication was properly addressed, prepaid and put into the post.

- (2) Any notice in writing, document or other communication not sent by post but left at a registered address or address at which a notice, document or other communication may be given shall be deemed to have been given on the day it was so left.
- (3) Any notice, document or other communication, if sent by electronic means (including through any relevant system), shall be deemed to have been given on the day following that on which the electronic communication was sent by or on behalf of the Company. Proof that a notice, document or other information in electronic form was sent will be sufficient to prove that the notice, document or other information was properly addressed subject to the provisions of section 1147(4) of the 2006 Act as to deemed delivery of documents or information by means of a website.
- (4) Any notice, document or other communication that has been made available on a website shall be deemed to have been received on the date on which notification of availability on the website is deemed to have been received in accordance with this article or, if later, the date on which it is first made available on the website.
- (5) A member present, either in person or by proxy, at any meeting of the Company or class of members of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which the meeting was convened.
- (6) Every person who becomes entitled to a share shall be bound by every notice (other than a notice in accordance with section 793 of the 2006 Act) in respect of that share which before his name is entered in the register was given to the person from whom he derives his title to the share.

## **96 Record date for giving notices**

- (1) For the purposes of giving notices of meetings, documents or other communications, whether under the Statutes, a provision in these articles or any other instrument, the Company may determine that persons entitled to receive such notices, documents or other communications are those persons entered on the register at the close of business on a day determined by it.

- (2) The day determined by the Company under paragraph (1) above may not be more than fifteen days before the day that the notice of the meeting, document or other communication is given.

**97 Notice to person entitled by transmission**

Where a person is entitled by transmission to a share, any notice or other communication shall be given to him, as if he were the holder of that share and his address noted in the register were his registered address. In any other case, any notice or other communication given to any member pursuant to these articles shall, notwithstanding that the member is then dead or bankrupt or that any other event giving rise to the transmission of the share by operation of law has occurred and whether or not the Company has notice of the death, bankruptcy or other event, be deemed to have been properly given in respect of any share registered in the name of that member as sole or joint holder.

**Untraced Members**

**98 Sale of shares of untraced members**

- (1) The Company may sell, in such manner as the board may decide and at the best price it considers to be reasonably obtainable at that time, any share of a member, or any share to which a person is entitled by transmission if:
  - (a) during a period of twelve years at least three cash dividends have become payable in respect of the share to be sold and have been sent by the Company in accordance with these articles;
  - (b) during that period of twelve years no cash dividend payable in respect of the share has been claimed, no cheque, warrant, order or other payment for a dividend has been cashed, no dividend sent by means of a funds transfer system has been paid and no communication has been received by the Company from the member or the person entitled by transmission to the share;
  - (c) on or after the expiry of that period of twelve years the Company has published advertisements both in a national newspaper and in a newspaper circulating in the area in which the last known address of the member or person entitled by transmission to the share or the address at which

notices may be given in accordance with these articles is located, in each case giving notice of its intention to sell the share; and

- (d) during the period of three months following the publication of those advertisements and after that period until the exercise of the power to sell the share, the Company has not received any communication from the member or the person entitled by transmission to the share.
- (2) The Company's power of sale shall extend to any further share which, on or before the date of publication of the first of any advertisement pursuant to subparagraph (1)(c) above, is issued in right of a share to which paragraph (1) applies (or in right of any share to which this paragraph applies) if the conditions set out in subparagraphs (1)(b) to (d) are satisfied in relation to the further share (but as if the references to a period of twelve years were references to a period beginning on the date of allotment of the further share and ending on the date of publication of the first of the advertisements referred to above).
  - (3) To give effect to any sale, the board may authorise some person to transfer the share to, or as directed by, the purchaser, who shall not be bound to see to the application of the purchase money; nor shall the title of the new holder to the share be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

## **99 Application of proceeds of sale**

- (1) The Company shall account to the person entitled to the share at the date of sale for a sum equal to the net proceeds of sale and shall be deemed to be his debtor, and not a trustee for him, in respect of them.
- (2) Pending payment of the net proceeds of sale to such person, the proceeds may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company, if any) as the board may from time to time decide.
- (3) No interest shall be payable in respect of the net proceeds and the Company shall not be required to account for any moneys earned on the net proceeds.

## Capitalisation of Profits

### 100 Capitalisation of reserves

- (1) The board may, with the authority of an ordinary resolution of the Company:
  - (a) resolve to capitalise any sum standing to the credit of any reserve account of the Company (including share premium account and capital redemption reserve) or any sum standing to the credit of profit and loss account or retained earnings account not required for the payment of any preferential dividend (whether or not it is available for distribution); and
  - (b) appropriate that sum as capital to the holders of ordinary shares in proportion to the nominal amount of the ordinary share capital held by them respectively and apply that sum on their behalf in paying up in full any new shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions or in paying up the whole or part of any amounts which are unpaid in respect of any issued shares in the Company held by them respectively, or otherwise deal with such sum as directed by the resolution provided that the share premium account and the capital redemption reserve and any sum not available for distribution in accordance with the Statutes may only be applied in paying up new shares to be allotted credited as fully paid up.
- (2) Where any difficulty arises in respect of any capitalised reserve or other sum, the board may settle the difficulty as it thinks fit and in particular may make such provisions as it thinks fit in the case of shares or debentures becoming distributable in fractions (including provisions under which, in whole or in part, the benefit of fractional entitlements accrues to the Company rather than the members concerned) or ignore fractions and may fix the value for distribution of any fully paid up shares or debentures and may determine that cash payments be made to any members on the basis of the value so fixed in order to secure equality of distribution, and may vest any shares or debentures in trustees upon such trusts for the persons entitled to share in the distribution as the board may think fit.

- (3) The board may also authorise any person to sign on behalf of the persons entitled to share in the distribution a contract for the acceptance by those persons of the shares or debentures to be allotted to them credited as fully paid under a capitalisation and any such contract shall be binding on all those persons.

#### **101 Capitalisation of reserves – employees' share schemes**

- (1) This article (which is without prejudice to the generality of the provisions of the immediately preceding article) applies:
  - (a) where a person is granted pursuant to an employees' share scheme a right to subscribe for shares in the Company in cash at a subscription price less than their nominal value; and
  - (b) where, pursuant to an employees' share scheme, the terms on which any person is entitled to subscribe in cash for shares in the Company are adjusted as a result of a capitalisation issue, rights issue or other variation of capital so that the subscription price is less than their nominal value.
- (2) In any such case the board:
  - (a) shall transfer to a reserve account a sum equal to the deficiency between the subscription price and the nominal value of the shares (the "**cash deficiency**") from the profits or reserves of the Company which are available for distribution and not required for the payment of any preferential dividend; and
  - (b) (subject to paragraph (4) below) shall not apply that reserve account for any purpose other than paying up the cash deficiency upon the allotment of those shares.
- (3) Whenever the Company is required to allot shares pursuant to such a right to subscribe, the board shall (subject to the Statutes) appropriate to capital out of the reserve account an amount equal to the cash deficiency applicable to those shares, apply that amount in paying up the deficiency on the nominal value of those shares and allot those shares credited as fully paid to the person entitled to them.
- (4) If any person ceases to be entitled to subscribe for shares as described above, the restrictions on the reserve account shall cease to apply in relation to such part of



the account as is equal to the amount of the cash deficiency applicable to those shares.

- (5) No right shall be granted under any employees' share scheme under paragraph (1)(a) above and no adjustment shall be made as mentioned in paragraph (1)(b) above unless there are sufficient profits or reserves of the Company available for distribution and not required for the payment of any preferential dividend to permit the transfer to a reserve account in accordance with this article of an amount sufficient to pay up the cash deficiency applicable to the shares concerned.

## **PART 5**

### **MISCELLANEOUS PROVISIONS**

#### **Communications**

#### **102 Means of communication to be used**

- (1) Subject to the articles, anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

#### **103 Failure to notify contact details**

- (1) If-

- (a) the Company sends two consecutive documents to a member over a period of at least 12 months, and
- (b) each of those documents is returned undelivered, or the Company receives notification that it has not been delivered,

that member ceases to be entitled to receive notices from the Company.

- (2) A member who has ceased to be entitled to receive notices from the Company becomes entitled to receive such notices again by sending the Company-
  - (a) a new address to be recorded in the register of members, or
  - (b) if the member has agreed that the Company should use a means of communication other than sending things to such an address, the information that the Company needs to use that means of communication effectively.

### **Administrative Arrangements**

#### **104 Seal**

- (1) The Company may exercise the powers conferred by the Statutes with regard to having official seals and those powers shall be vested in the board.
- (2) The directors shall provide for the safe custody of every seal of the Company.
- (3) A seal shall be used only by the authority of the board or a duly authorised committee but that authority may consist of an instruction or approval given in writing or by electronic means by a majority of the directors or of the members of a duly authorised committee.
- (4) The directors may determine who shall sign any instrument to which a seal is applied, either generally or in relation to a particular instrument or type of instrument, and may also determine, either generally or in any particular case, that such signatures shall be dispensed with.
- (5) Unless otherwise decided by the board:

- (a) certificates for shares, debentures or other securities of the Company issued under seal need not be signed; and
  - (b) every other instrument to which a seal is applied shall be signed by at least one director and the Company Secretary of the Company or by at least two directors or by a director in the presence of a witness.
- (6) Where the Statutes so permit, any instrument signed by one director and the Company Secretary of the Company or by two directors or by a director in the presence of a witness who attests to the signature and expressed, in whatever words, to be executed by the company shall have the same effect as if executed under the seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to be a deed without the authority of the directors or a committee authorised by the directors in that behalf. The directors may by resolution determine that such signatures or either of them shall be affixed by some mechanical or electronic method or system.

#### **105 Destruction of documents**

- (1) The Company is entitled to destroy-
- (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six years after the date of registration;
  - (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded;
  - (c) all share certificates which have been cancelled from one year after the date of the cancellation;
  - (d) all paid dividend warrants and cheques from one year after the date of actual payment; and
  - (e) all Proxy Notices from one year after the end of the meeting to which the Proxy Notice relates.

- (2) If the Company destroys a document in good faith, in accordance with the articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the Company that-
- (a) entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made;
  - (b) any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
  - (c) any share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and
  - (d) any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the Company.
- (3) This article does not impose on the Company any liability which it would not otherwise have if it destroys any document before the time at which this article permits it to do so.
- (4) In this article, references to the destruction of any document include a reference to its being disposed of in any manner.

**106 No right to inspect accounts and other records**

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a member.

**107 Provision for employees on cessation 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.

## **Directors' Indemnity and Insurance**

### **108 Indemnity of directors**

Subject to the Statutes, every person who is or was a director or other officer (excluding an auditor) of the Company or any associated company, directly or indirectly, shall be indemnified out of the assets of the Company against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office but:

- (a) this indemnity shall not apply to any liability to the extent that it is recovered from any other person; and
- (b) the indemnity is subject to such officer taking all reasonable steps to effect such recovery, to the intent that the indemnity shall not apply where an alternative right of recovery is available and capable of being enforced.

### **109 Indemnity for qualifying pension scheme**

Subject to the Statutes, the Company may indemnify to any extent any person who is or was a director of an associated company that is a trustee of an occupational pension scheme, directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any liability incurred by him in connection with the Company's activities as trustee of an occupational pension scheme.

### **110 Funds incurred in officer's defence**

Subject to the Statutes, the Company may at the discretion of the board provide every director or other officer (excluding an auditor) of the Company with funds to meet expenditure incurred or to be incurred by him (or to enable such director or officer to avoid incurring such expenditure) in defending any civil or criminal proceedings, any regulatory actions or investigations or in connection with any application under the provisions referred to in section 205(5) 2006 Act.

### **111 Limited Liability**

The liability of the members is limited to the amount, if any, unpaid on the shares in the company respectively held by them.

## **112 Insurance**

- (1) The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss.
- (2) In this article 111-
  - (a) a "**relevant director**" means any director or former director of the Company or an associated Company,
  - (b) a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated Company or any pension fund or employees' share scheme of the Company or associated Company, and
  - (c) companies are associated if one is a Subsidiary of the other or both are subsidiaries of the same body corporate.

### **Winding Up**

## **113 Distribution of assets**

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