

IMUTUAL PLC

ARTICLES OF ASSOCIATION

THE COMPANIES ACT 2006  
PUBLIC COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
IMUTUAL PLC

(adopted by a special resolution passed on 7<sup>th</sup> NOVEMBER 2012)

**1. INTERPRETATION**

1.1 Any regulations containing or prescribing model or default articles of association for companies including (without limitation) the regulations contained in the Companies (Model Articles) Regulations 2008 shall not apply to the Company. The following shall be the articles of association of the Company.

1.2 In these articles of association:-

1.2.1 the following words have the following meanings:-

“Act”	the Companies Act 2006 including any statutory modification, re-enactment or replacement of it for the time being in force;
“address”	includes a number or address used for the purposes of sending or receiving documents or information by electronic means;
“Articles”	the articles of association of the Company as from time to time amended;
“Auditors”	the auditors for the time being of the Company or, in the case of joint auditors, any one of them;
“bankruptcy”	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to bankruptcy;
“Board”	the board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present;
“certificate”	a paper certificate (other than a share warrant) evidencing a person’s title to specified shares or other securities;
“clear days”	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

“Companies Acts”	the Companies Acts as defined in section 2 of the Act and every other statute or regulation for the time being in force concerning companies and in each case insofar as they affect the Company including, for the avoidance of doubt, the Uncertificated Securities Regulations;
“connected with”	has the meaning ascribed to it by section 839 of the Income and Corporation Taxes Act 1988, except that there shall be deemed to be control for that purpose whenever either section 416 or section 840 of that Act would so require;
“Controlling Interest”	shares conferring in the aggregate [30]% or more of the total voting rights conferred by all shares for the time being in issue and conferring the right to vote at all general meetings;
“Director”	a director for the time being of the Company;
“document”	includes, unless otherwise specified, any document sent or supplied in electronic form;
“executed”	includes any mode of execution;
“general meeting”	includes any general meeting held as the Company’s annual general meeting in accordance with section 336 of the Act;
“holder”	in relation to shares, the person whose name is entered in the Register as the holder of the shares;
“IMTL Shares”	Member IMTL Member Shares Limited (CN 07281277)
“Independent Expert”	the expert described in Article 1.7;
“instrument”	a document in hard copy form;
“month”	calendar month;
“Office”	the registered office of the Company for the time being or, in the case of sending or supplying documents or information by electronic means, the address specified by the Directors for the purpose of receiving documents or information by electronic means;
“paid”	paid or credited as paid;
“Register”	the register of members of the Company;
“Secretary”	the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy

- secretary;
- “share” any share in the capital of the Company;
- “Specified Price” for the purposes of Article 1.7 only, the consideration per share equal to that offered or paid or payable by the proposed transferee for the shares being acquired plus the relevant proportion of any other consideration received or receivable by the holders of such shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable plus all arrears and accruals of the dividends on such share calculated down to the date of the sale or transfer;
- “Specified Shares” the meaning in Article 1.7;
- “United Kingdom” Great Britain and Northern Ireland; and
- “year” calendar year;
- 1.2.2 any gender includes any other gender;
- 1.2.3 the singular includes the plural number and vice versa;
- 1.2.4 words or expressions contained in the Articles, if not defined in the Articles, bear the same meaning as in the Act as in force on the date when the Articles become binding on the Company;
- 1.2.5 references to persons include bodies corporate, unincorporated associations, governments, states, partnerships and trusts (in each case, whether or not having separate legal personality);
- 1.2.6 references to “documents” includes references to notices and/or consents;
- 1.2.7 references to “in 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;
- 1.2.8 a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of the Articles; and
- 1.2.9 general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of acts, matters or things.

### 1.3 **LIABILITY OF MEMBERS**

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

### 1.4 **SHARES**

- 1.4.1 The directors are generally and unconditionally authorised pursuant to section 551(1) of the Act to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a

maximum nominal amount of £50,000 provided that this authority shall expire on the day preceding the fifth anniversary of the date of the incorporation of the Company, except that this authority allows the directors to make an offer or agreement before such expiry which would or might require relevant securities to be allotted after such expiry.

- 1.4.2 Pursuant to section 570 of the Act, sections 561 and 562 of the Act are hereby excluded and shall not apply to any allotment by the Company of equity securities (as defined in section 560 of the Act).
- 1.4.3 The Company may pay any person a commission in consideration for that person subscribing or agreeing to subscribe for securities or procuring or agreeing to procure subscriptions for securities. Subject to the provisions of the Companies Acts, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or other securities or partly in one way and partly in the other and in respect of a conditional or absolute subscription. The Company may also on any issue of shares pay such brokerage as may be lawful.
- 1.4.4 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 of it by the allottee 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.
- 1.4.5 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by the Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety of it in the holder.
- 1.4.6 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the Directors may, on behalf of those members or, if the net proceeds in respect of any holding do not exceed £2.50, on behalf of the Company, transfer the shares representing the fractions to IMTL Member Shares for the higher of £0.01 or the amount (if any) paid for the shares by the member. The Directors shall distribute the net proceeds of sale in due proportion among those members or the Company, as the case may be, and the Directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

## 1.5 **TRANSFER OF SHARES**

- 1.5.1 Except as expressly permitted by these Articles, no transfer, disposal, charge, mortgage assignment or other dealing in any shares or any interest therein shall occur. The Directors shall refuse to register any transfer of shares unless the transfer is permitted by Articles or or made in accordance with Articles , and and . For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles, the Directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the Directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 28 days after such request, the Directors shall be entitled to refuse to register the transfer in question.

1.5.2 Any purported transfer of shares other than in accordance with the provisions of these Articles shall be void and have no effect.

1.5.3 Notwithstanding any other provisions in these Articles (other than Article 1.7 (Tag Along)):-

1.5.3.1 shares registered in the name of IMTL Member Shares Limited may be transferred to those customers of the Company who have elected to accept shares in the Company as a reward for participating in the Company's loyalty scheme (in accordance with the Company's terms and conditions) by trading on the Company's website; and

1.5.3.2 a shareholder may transfer any shares in the Company to IMTL Member Shares for the higher of £0.01 or the amount (if any) paid for the shares by the member.

and any such transfers shall be registered by the Directors.

1.5.4 An obligation to transfer a share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance.

1.5.5 Any share may be transferred at any time by a member to the Company upon a purchase by the Company of such share pursuant to the provisions of Part 18 of the Act.

## 1.6 **COMPULSORY TRANSFERS**

In the event of any of the following, the relevant member shall immediately effect a transfer of all the shares held by him in the Company to IMTL Member Shares for the higher of £0.01 or the amount (if any) paid for the shares by the member:-

1.6.1 any direction (by way of renunciation, nomination or otherwise) by a member entitled to an allotment or transfer of shares to the effect that such shares or any of them be allotted or issued or transferred to some person other than himself;

1.6.2 any sale, dealing or other disposition of a share or any interest therein or rights attaching thereto (whether or not for consideration or otherwise) other than a bona fide third party offer, or otherwise, than in accordance with the provisions of these Articles;

1.6.3 if a member enters into a transaction of the kind referred to in this article or otherwise attempts to transfer any shares otherwise than in accordance with these Articles;

1.6.4 if a member which is a company at any time ceases to be controlled by the person (which expression shall include a body corporate or a firm) or persons who at the time when the company became a member had control. For the purposes of this article, a person shall be deemed to have control of a company if by reason of the ownership of shares in that company or otherwise, the person concerned is able directly or indirectly to secure that the affairs of that limited company are conducted in accordance with the wishes of that person;

1.6.5 the passing of a resolution for the liquidation of the member or any other company in that member's group;

1.6.6 the presentation at court of a petition for the winding up of the member or any other company in that member's group;

- 1.6.7 the issue at court of a notice of intention to appoint an administrator to the member or any other company in that member's group, a notice of appointment of an administrator to the member or any other company in that member's group or an application for an administration order in respect of the member or any other company in that member's group;
- 1.6.8 any step is taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the member or any other company in that member's group;
- 1.6.9 the member or any other company in that member's group is unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986;
- 1.6.10 the member or any other company in that member's group enters into a composition or arrangement with its creditors;
- 1.6.11 any chargor takes any step to enforce any charge created over any shares held by the member in the Company (other than by the appointment of a receiver, administrative receiver or manager);
- 1.6.12 a process is instituted that could lead to the member being dissolved and its assets being distributed among its creditors, shareholders or other contributors;
- 1.6.13 the member ceases to carry on its business or substantially all of its business;
- 1.6.14 if a member being an individual has a trustee in bankruptcy appointed or enters into an arrangement with his creditors;
- 1.6.14 if a member, being an individual, dies; the shares shall be transferred to IMTL Member Shares unless, within 12 months, a representative of the deceased's estate contacts the Company, provides proof of representation and requests that these shares be transferred to another registered account.
- 1.6.15 if an order is made in relation to the relevant member's personal welfare or property and affairs under legislation relating to mental health or mental capacity;
- 1.6.16 a member breaches the terms and conditions of the Company's website or terms and conditions of trading/membership;
- 1.6.17 a member has not logged in to his online account registered with the Company on the Company's website for more than 12 months;
- 1.6.18 a member has not earned any reward points in accordance with the Company's website terms and conditions within any 12 month period; or
- 1.6.19 a member is an untraced shareholder, in accordance with Article 1.14.

## 1.7 **TAG ALONG**

- 1.7.1 Subject to Article 1.8 (Drag Along) but notwithstanding any other provision in these Articles, no disposal of any shares (the "Specified Shares") which would result if made and registered in a person who was not a member of the Company on the date this Article 1.7 was adopted as an article of association of the Company (together with persons acting in concert or connected with him) obtaining a Controlling Interest in the Company shall be made or registered without the previous written consent of the holders of 75% of the shares unless before the transfer is lodged for registration the proposed transferee or transferees (or their nominees) has or have made a bona fide written offer in accordance with these Articles to purchase all the shares held by members who are not acting in

concert or otherwise connected with such transferees or nominees in issue on terms no less favourable overall to those offered to the holders of the Specified Shares and at the Specified Price.

1.7.2 Any offer made under Article 1.7 shall be:-

1.7.2.1 open for acceptance for at least 28 days;

1.7.2.2 subject to Article 1.7.3, shall be deemed to be rejected by any member who has not accepted it in accordance with its terms within the time prescribed for acceptance; and

1.7.2.3 the consideration thereunder shall be settled in full on completion of the purchase.

However, if Article 1.7.3 applies, the time limits set out in this Article shall commence on the date the Directors notify the concerned members of the Independent Expert's decision of the Specified Price.

1.7.3 If any shareholder disagrees with the calculation of the Specified Price which is not resolved within 30 days of the offer referred to in Article 1.7 being made, the Specified Price will instead be the price (which must be a fixed and certain sum) which the auditors of the Company, acting as an independent expert not as arbitrator shall decide to be in their opinion the fair value of the relevant shares.

1.7.4 If the auditors decline to act as Independent Expert or if there is any disagreement as to their nomination as Independent Expert then within 14 days of the auditors so declining or such disagreement the matter of who shall act as Independent Expert shall be referred by any concerned member of the Directors to the President for the time being of the Institute of Chartered Accountants in England and Wales who shall be instructed to appoint an Independent Expert to decide the fair value of the relevant shares.

1.7.5 In arriving at its opinion of the Specified Price the Independent Expert shall value the relevant shares as at the date the offer is made on a going concern basis and as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to such shares by virtue of the fact that they represent a minority interest and on the assumption that such shares are capable of transfer without restriction.

1.7.6 The decision of the Independent Expert shall be final and binding except in the case of manifest error.

1.7.7 The cost of obtaining the Independent Expert's decision shall be paid equally by the Company and the proposing transferees or as the Independent Expert directs.

## 1.8 **DRAG ALONG**

1.8.1 If an offeror (the "Offeror") for shares has made bona fide offers on arm's length terms to shareholders of the Company and the Offeror receives valid acceptances which would on completion result in the Offeror becoming the holder of not less than 51% of the shares then:-

1.8.1.1 the Offeror may give written notice (which must contain the information set out in Article 1.8.3) (a "Purchase Notice") to any non-accepting holder of shares requiring him to accept the offer and transfer his shares with full title guarantee within 14 days of the Purchase Notice and stating that failing such acceptance he shall be



deemed to have accepted such offer in respect of all shares held by him and irrevocably to have waived any pre-emption rights he may have in relation to any shares the subject of such offer;

- 1.8.1.2 the Purchase Notice shall be deemed served in accordance with Article 26;
  - 1.8.1.3 upon the expiry of the Purchase Notice each recipient of a Purchase Notice shall be obliged to transfer his shares with full title guarantee and deliver to the Offeror (or as he/it may direct) an executed stock transfer form and share certificates in respect of the shares which were the subject of the Purchase Notice together with an executed waiver of pre-emption rights, if appropriate;
  - 1.8.1.4 if any such recipient fails to comply with the matters set out in Article 1.8.1 he shall be deemed to have appointed any Director to be his agent and attorney on his behalf to execute such documents (including stock transfer forms), to covenant for full title guarantee and to do such other things as may be necessary or desirable to accept, transfer and complete the sale the subject of this Article and against receipt by the Company (on trust for such member) of the appropriate purchase monies to deliver such executed transfers and pre-emption waivers (if appropriate) to the Offeror and it shall be no impediment to completion that such member's share certificates have not been produced; and
  - 1.8.1.5 after the Offeror (or his nominees) has been registered as the holder of shares transferred in accordance with this Article the validity of such transaction shall not be questioned by any person.
- 1.8.2 A Purchase Notice may be revoked at any time prior to completion and any such revocation notice shall be served in accordance with Article 26.
- 1.8.3 In order for a Purchase Notice to be valid it must include details of:-
- 1.8.3.1 the proposed price which must attribute an equal fixed value to each share;
  - 1.8.3.2 include details of the shares in respect of which the Offeror has received valid acceptances;
  - 1.8.3.3 details of the Offeror (including its identity);
  - 1.8.3.4 the place, date and time of completion of the proposed purchase;
  - 1.8.3.5 the terms and conditions of the offer; and
  - 1.8.3.6 its expiry date for acceptance.
- 1.8.4 Completion of the sale of shares subject to a Purchase Notice shall take place on the same date as the actual completion of the sale of the other shares the subject of valid acceptances as referred to in Article 1.8.1.

## 1.9 **SHARE CERTIFICATES**

- 1.9.1 Every share certificate shall be executed by the Company in such manner as the Directors may decide and shall specify the number and class of shares to which it relates and the amount paid up thereon.

- 1.9.2 In the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of joint holders shall be sufficient delivery to all.
- 1.9.3 Any person (except a person to whom the Company is not required by law to issue a certificate) whose name is entered in the Register in respect of any shares without payment to a certificate therefor (in the case of issue) within one month (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer of fully paid shares) within 14 days after lodgement of a transfer or (in the case of a transfer of partly-paid shares) within two months after lodgement of a transfer.
- 1.9.4 Where some only of the shares comprised in a share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.
- 1.9.5 Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate representing all such shares issued in lieu without charge.
- 1.9.6 If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request.
- 1.9.7 If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of any exceptional out of pocket expenses of the Company in connection with the request as the Directors may think fit.
- 1.9.8 In the case of shares held jointly by several persons any such request may be made by any one or more of the joint holders.

#### 1.10 **CALLS ON SHARES**

- 1.10.1 The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.
- 1.10.2 Each member shall (subject to receiving at least 14 clear days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.
- 1.10.3 If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment to the time of actual payment at such rate (not exceeding 15% per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

- 1.10.4 Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 1.10.5 The Directors may on the allotment of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
- 1.10.6 The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate as the member paying such sum and the Directors may agree.

## 1.11 **FORFEITURE AND LIEN**

- 1.11.1 If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.
- 1.11.2 The notice shall name a further day (not being less than seven clear days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance with it the shares on which the call has been made will be liable to be forfeited.
- 1.11.3 If the requirements of any such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.
- 1.11.4 A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.
- 1.11.5 A person whose shares have been forfeited or surrendered shall cease to be a member in respect of such shares and shall surrender to the Company for cancellation the certificate(s) for such shares. Such person shall, notwithstanding the forfeiture or surrender, remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of such shares with interest thereon at 15% per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may

at their absolute discretion enforce payment without any allowance for the value of such shares at the time of forfeiture or surrender or waive payment in whole or in part.

1.11.6 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article .

1.11.7 The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 clear days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of its intention to sell in default shall have been given by the Company to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

1.11.8 The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists so far as the same are then payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser to effect the transfer.

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

#### 1.12 **SHARE TRANSFER PROCEDURE**

1.12.1 The transfer of a share may be effected by transfer in writing in any usual or common form or in any other form which the Directors may approve and may be under hand only and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect of them.

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

1.12.3 No fee will be charged by the Company in respect of the registration of any allotment or transfer or any document relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

#### 1.13 **DESTRUCTION OF DOCUMENTS**

1.13.1 The Company shall be entitled to destroy:-

- 1.13.1.1 all instruments of transfer or other documents (whether in hard copy or electronic form) which have been registered or in respect of which an entry shall have been made on the Register at any time after the expiration of six years from the date of registration or entry; and
- 1.13.1.2 all dividend mandates, variations or cancellations of dividend mandates and other written instructions as to the payment of dividends or interest and notifications of change of address at any time after the expiration of two years from the date of recording; and
- 1.13.1.3 all certificates for shares or debentures or representing any other form of security of the Company which have been cancelled at any time after the expiration of one year from the date of the cancellation;
- 1.13.1.4 all paid dividend warrants and cheques from one year after the date of actual payment; and
- 1.13.1.5 all proxy notices from one year after the end of the meeting to which the proxy notice relates.

1.13.2 It shall be conclusively presumed in favour of the Company that:-

- 1.13.2.1 every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed or deleted was duly and properly made;
- 1.13.2.2 every instrument of transfer or other document so destroyed or deleted was a valid and effective instrument or document duly and properly registered;
- 1.13.2.3 every certificate so destroyed was a valid and effective certificate duly and properly cancelled; and
- 1.13.2.4 every other document so destroyed or deleted was a valid and effective document in accordance with the recorded particulars in the records of the Company.

1.13.3 However:-

- 1.13.3.1 Article shall apply only to the destruction or deletion of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- 1.13.3.2 nothing in Article shall be construed as imposing upon the Company any liability in respect of the destruction or deletion of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of Article ;
- 1.13.3.3 references in Article to the destruction or deletion of any document include references to the disposal thereof in any manner; and
- 1.13.3.4 a document referred to in Articles and may, subject to the Companies Acts, be destroyed or deleted at a date earlier than that authorised by Article provided that a copy of such document (whether made electronically, by microfilm, by digital imaging or by any other means) has been made and is retained until the end of the relevant period.

## 1.14

### **UNTRACED SHAREHOLDERS**

- 1.14.1 The Company shall be entitled to effect a transfer any share of a member to IMTL Member Shares for the higher of £0.01 or the amount (if any) paid for the share by the member if and provided that for a period of 12 years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the member at his address on the Register or other last known address given by the member to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the member provided that in any such period of 12 years the Company has paid at least three dividends whether interim or final and no such dividend has been claimed.
- 1.14.2 The Company shall also be entitled to transfer to IMTL Member Shares the higher of £0.01 or the amount (if any) paid for the shares by the member, in the manner provided for in Article 1.14, any share ("additional share") issued during the said period or periods of 12 years in respect of any share to which Article 1.14.1 applies or in respect of any share issued during either of such periods, provided that the requirements of Article 1.14.1 (but modified to exclude the words "for a period of 12 years" and modified to exclude the Proviso) are satisfied in respect of such additional share.
- 1.14.3 To give effect to any such transfer the Company may appoint any person to execute as transferor an instrument of transfer of such share and such instrument of transfer shall be as effective as if it had been executed by the registered holder. The Company shall account to the member for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such member or other person. Monies carried to such separate account 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 Directors may from time to time think fit.

## 1.15

### **DISCLOSURE OF INTERESTS**

- 1.15.1 If a member or any other person whom the Company knows or has reasonable cause to believe to be interested in the Company's shares or to have been so interested at any time during the immediately preceding three years, has been given notice (a "statutory notice") under section 793 of the Act and has failed in relation to any shares (the "default shares") to give the Company the information thereby required within the period specified in the statutory notice, the Directors may by notice to that member direct that any one or more of the consequences set out in Article 1.15.3 shall apply.
- 1.15.2 These consequences will not take effect earlier than 14 days after service of the statutory notice.
- 1.15.3 The consequences that may be applied are as follows:-
  - 1.15.3.1 where the default shares are less than 0.25% of the shares of the Company, the member in relation to those default shares shall be prohibited from attending meetings of the Company and no voting rights shall be exercisable in respect of the default shares;
  - 1.15.3.2 where the default shares are of 0.25% or more of the shares of the Company:-

- (a) the member shall be prohibited from attending meetings of the Company and no voting rights shall be exercisable in respect of the default shares; and/or
- (b) dividend payments and shares issued in lieu of dividend on the default shares may be withheld and the Company shall not have any obligation to pay interest on such dividend and the member shall not be entitled to elect to receive shares instead of dividend.

1.15.4 Where the consequences under Article 1.15.3 apply in relation to any shares, they shall cease to have effect seven days after the earlier of the following:-

1.15.4.1 when the Directors are satisfied that the information required by the statutory notice mentioned in Article 1.15.1 has been received in hard copy form by the Company; or

1.15.4.2 if and to the extent that the Directors so determine.

1.15.5 For the purposes of this Article :-

1.15.5.1 references to persons interested in shares and to interests in shares shall be construed as they are for the purpose of section 793 of the Act;

1.15.5.2 reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes reference to his having:-

(a) failed to comply with a notice in whole or in part; and

(b) made a statement which he knows to be false in a material particular or having recklessly made a statement which is false in a material particular;

1.15.5.3 the expression "default shares" shall include any further shares issued in right of any default shares. The Directors can also make restrictions in the notice apply to any right to an allotment of further shares associated with the default shares.

1.15.6 Where, on the basis of information obtained from a member in respect of any shares of the Company, the Company gives a notice under section 793 of the Act to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by that member of the copy, shall not invalidate or otherwise affect the application of Article 1.15.1.

1.15.7 Neither the Company nor any of its directors shall be liable to any person as a result of the Directors, acting in good faith, having imposed the consequences set out in this Article 1.15 or failed to determine that any or all of such consequences shall cease to apply.

1.15.8 This Article does not restrict in any way the provisions of the Act which apply to failures to comply with notices under section 793 of the Act.

1.15.9 The provisions of this Article are without prejudice to Article 1.4.5.

## 1.16 **GENERAL MEETINGS**

- 1.16.1 The Directors may call general meetings whenever they think fit and, on the requisition of members pursuant to the provisions of the Act, shall immediately proceed to convene a general meeting in accordance with the provisions of the Act.
- 1.16.2 Ordinary business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say:-
- 1.16.2.1 declaring dividends;
  - 1.16.2.2 receiving and/or adopting the accounts, the reports of the Directors and auditors, the directors' remuneration report and other documents required to be attached or annexed to the accounts;
  - 1.16.2.3 appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
  - 1.16.2.4 re-appointing the retiring auditors (unless they were last appointed otherwise than by the Company in general meeting); or
  - 1.16.2.5 fixing the remuneration of the auditors or determining the manner in which such remuneration is to be fixed.
- 1.16.3 Subject to the provisions of the Articles and to any restrictions imposed on any shares, a notice of general meeting shall be given to all the members and to the Directors and the Auditors. Subject to section 360B of the Act, the Company may determine that only those persons entered on the Register at the close of business on a day determined by the Company shall be entitled to receive such a notice.
- 1.16.4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that general meeting.

## 1.17 **PROCEEDINGS AT GENERAL MEETINGS**

- 1.17.1 No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present. Two qualifying persons present at the general meeting and entitled to vote upon the business to be transacted shall be a quorum, where a "qualifying person" is any of the following:-
- 1.17.1.1 an individual who is a member;
  - 1.17.1.2 a person authorised to act as the representative of a corporation in relation to the meeting; and
  - 1.17.1.3 a person appointed as a proxy of a member in relation to the meeting
- unless each is a qualifying person only because he is authorised to act as the representative of a corporation in relation to the meeting and they are representatives of the same corporation or each is a qualifying person only because he is appointed as proxy of a member in relation to the meeting and they are proxies of the same member.
- 1.17.2 If within five minutes from the time appointed for a general meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present,



the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the chairman may determine and if at the adjourned meeting a quorum is not present within 15 minutes from the time appointed for the meeting, any two members present in person or by proxy shall constitute a quorum.

- 1.17.3 The chairman of the Directors, failing whom the deputy chairman, shall preside as chairman of the meeting. If there be no such chairman or deputy chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and be willing to act, the Directors present shall elect one of their number to be chairman of the meeting and, if there is only one Director present and willing to act, he shall be chairman of the meeting.
- 1.17.4 If no Director is willing to act as chairman of the meeting, or if no Director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman of the meeting.
- 1.17.5 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting.
- 1.17.6 The chairman may, with the consent of a meeting at which a quorum is present (or if in his opinion it is not practicable to obtain such consent but it appears to him necessary in order to facilitate the business of the meeting) and shall if so directed by the meeting, adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or sine die or to some other place, not less than seven clear days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.
- 1.17.7 Except as expressly provided in the Articles, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 1.17.8 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the resolution in its original form shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution no amendment thereto (other than an amendment to correct a clerical or other manifest error) may in any event be considered or voted upon.
- 1.17.9 A resolution put to the vote of the meeting at any general meeting shall be decided on a show of hands unless before the resolution is put to a vote, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act a poll may be demanded:-
  - 1.17.9.1 by the chairman of the meeting; or
  - 1.17.9.2 by not less than three members present in person or by proxy having the right to vote at the meeting; or
  - 1.17.9.3 by a member or members and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

- 1.17.9.4 by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- 1.17.10 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 1.17.11 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 1.17.12 A poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting directs and he may (and if so directed by the meeting shall) appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. The right to appoint scrutineers is in addition to any rights of members under section 342 of the Act to require an independent report on a poll.
- 1.17.13 A poll demanded on the election of a chairman or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time and place as the chairman directs not being more than 30 days from the date of the meeting at which the poll is demanded. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

## **1.18 VOTES OF MEMBERS**

- 1.18.1 Subject to any special rights or restrictions as to voting attached by, or in accordance with, the Articles, on a show of hands the number of votes each member has, whether voting in person or by proxy is as set out in sections 284 and 285 of the Act. On a poll demanded at a meeting of the Company, all or any of the voting rights of a member may be exercised by one or more duly appointed proxies.
- 1.18.2 In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names of the holders stand in the Register in respect of the share.
- 1.18.3 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder or capacity may vote, whether on a show of hands or on a poll, by a person authorised in that behalf by that court, and any such person may, on a poll, vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with the Articles under Article 1.18.10, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be

exercised and in default the right to vote shall not be exercisable. In calculating the said period of 48 hours, no account shall be taken of any part of a day which is not a working day.

- 1.18.4 A member which is a corporation may authorise a person to exercise that member's power to vote in accordance with section 323 of the Act.
- 1.18.5 No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.
- 1.18.6 On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A member may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company. A proxy appointed by more than one member (an "appointing member") is not restricted by instructions received from any one appointing member from casting a second or further vote in different ways under any discretionary authority given by other appointing members if the proxy chooses so to do.
- 1.18.7 No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered, and every vote not disallowed at the meeting shall be valid for all purposes. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 1.18.8 The Company is under no obligation to check whether proxies or corporate representatives of members vote in accordance with instructions given by their appointing members and any such vote shall not be invalidated if such instructions are not followed.
- 1.18.9 An appointment of proxy shall:-
  - 1.18.9.1 be in writing and, if the Directors determine, may be contained in electronic form, in any such case in any common form or in such other form as the Directors may approve and:-
    - (a) if in hard copy form, under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, under its common seal or under the hand of some officer or attorney duly authorised in that behalf; or
    - (b) in the case of an appointment contained in electronic form, submitted by or on behalf of the appointor, subject to such terms and conditions and authenticated in such manner as the Directors may in their absolute discretion determine;
  - 1.18.9.2 be deemed (subject to any contrary direction contained in the same) to confer authority to demand or join in demanding a poll and to vote on any resolution or amendment of a resolution put to the meeting for which it is given, as the proxy thinks fit and to speak at the meeting; and
  - 1.18.9.3 unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

1.18.10 The Directors may require a member to provide the Company with reasonable evidence of the identity of the member or of the proxy appointed by such member. In addition, the appointment of a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Directors, together with any supporting documentation as evidence of identity may:-

1.18.10.1 in the case of an instrument in writing (including, whether or not the appointment of proxy is contained in electronic form, any such power of attorney or other authority) be deposited at the Office or at such other place or places and in such location or locations as is or are specified in the notice convening the meeting or in any appointment of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time of the holding of the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

1.18.10.2 in the case of an appointment contained in electronic form, where an address has been specified for the purpose of receiving communications:-

(a) in the notice convening the meeting; or

(b) in any instrument of proxy sent out by the Company in relation to the meeting; or

(c) in any invitation contained in electronic form to appoint a proxy issued by the Company in relation to the meeting,

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or

1.18.10.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

1.18.10.4 where the poll is not taken immediately but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman of the meeting or to any Director, the Secretary or some person authorised for the purpose by the Secretary

and an appointment of proxy not deposited, delivered or received in a manner so permitted shall be invalid. No appointment of proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution or the date of its submission, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.

1.18.11 The Directors may determine that, in calculating the periods mentioned in Article 1.18.10, no account shall be taken of any part of any day which is not a working day (within the meaning of section 1173 of the Act).

1.18.12 A member may appoint more than one proxy to attend on the same occasion. When two or more valid but differing appointments of proxy are delivered or received in respect of the same share for use at the same meeting and in respect of the same matter, the one which is last validly delivered or received (regardless of its date or of the date of its

execution or submission) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.

1.18.13 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous termination of the authority of the person voting or demanding a poll unless notice in writing of the termination was received by the Company at the Office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of proxy was contained in electronic form, at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

1.18.14 The Directors may at the expense of the Company send instruments of proxy to the members by post in hard copy form, in electronic form or otherwise (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the Directors or any other person. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote at it. The accidental omission to send such an instrument or give such an invitation to, or the non-receipt thereof by, any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.

1.18.15 From time to time the Directors may (consistently with the Act and the Articles) make such regulations and establish such procedures as they consider appropriate to receive and verify the appointment of a proxy or termination of a proxy appointment. Any such regulations may be general or specific to a particular meeting. Without limitation, any regulations may include provisions that the Directors (or some person or persons appointed by them) may conclusively determine any matter or dispute relating to:-

1.18.15.1 to the appointment or purported appointment or termination of a proxy appointment; and/or

1.18.15.2 to any instruction contained or allegedly contained in any such appointment or termination

and any such regulations may also include rebuttable or conclusive presumptions of any fact concerning those matters. The Directors may from time to time modify or revoke any such regulations as they fit, provided that no subsisting valid appointment of a proxy or termination of a proxy appointment or any voting instruction shall thereby be rendered invalid.

## **2. NUMBER OF DIRECTORS**

Unless and until otherwise determined by ordinary resolution the number of Directors shall not be subject to any maximum but shall not be less than two.

## **3. ALTERNATE DIRECTORS**

3.1 Any Director (other than an alternate director) may appoint by writing signed by the Director and deposited at the Office or delivered at a meeting of the Directors any other

Director willing to act, to be an alternate director and may in like manner remove from office an alternate director so appointed by him. Such appointment, unless previously approved by the Directors or unless the appointee is another Director, shall have effect only upon and subject to being so approved.

- 3.2 An alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative but he shall not be counted more than once for the purposes of quorum. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committees of the Directors the foregoing provisions of this Article shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member. An alternate director shall not (except as aforesaid) have power to act as a Director.
- 3.3 An alternate director shall cease to be an alternate director if his appointor ceases to be a Director; but, if a Director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment. The appointment of an alternate director shall determine on the happening of any event which if he were a Director would cause him to vacate such office.
- 3.4 Any appointment or removal of an alternate director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
- 3.5 Except as otherwise provided in the Articles, an alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him. An alternate director shall be entitled to the same extent as if he were a Director to contract and be interested in any benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified.

#### 4 **APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 4.1 A Director shall retire from office (but may offer himself for re-election by members of the Company) at the first annual general meeting after his or her appointment and thereafter shall retire from office (and may again offer himself for such re-election) at the third annual general meeting after the annual general meeting at which he was last re-appointed.
- 4.2 If the Company, at the meeting at which a Director retires in accordance with Article 4.1, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost or if the retiring Director has given notice in writing to the Company that he is unwilling to be re-elected or where the default in filling the vacancy is due to the moving of a resolution in contravention of Article 4.4.

- 4.3 The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.
- 4.4 A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void. For the purposes of this Article a resolution for approving a person's appointment or for nominating a person for appointment as a Director shall be treated as a resolution for his appointment.
- 4.5 No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment or reappointment as a Director at any general meeting unless not less than seven nor more than 42 days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at or sent to the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election stating the particulars which would, if he were so appointed or reappointed, be required to be included in the Company's Register of Directors, together with notice in writing signed by the person to be proposed of his willingness to be appointed or reappointed.
- 4.6 Subject as aforesaid the Company may by ordinary resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto the Directors shall have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with the Articles. Any person so appointed by the Directors shall hold office only until the next annual general meeting and shall then be eligible for re-election.
- 4.7 A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings.
- 4.8 Subject as aforesaid, a Director who retires at an annual general meeting may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

## **5 DISQUALIFICATION AND REMOVAL OF DIRECTORS**

- 5.1 The office of a Director shall be vacated if:-
- 5.1.1 he ceases to be a Director by virtue of any provision of the Companies Acts or he otherwise becomes prohibited by law from being a director; or
- 5.1.2 he becomes bankrupt or has a bankruptcy order made against him or makes any arrangement or composition with his creditors generally or becomes subject to a bankruptcy restriction order or undertaking; or
- 5.1.3 a registered medical practitioner who is treating that Director gives a written opinion to the Company stating that the Director has become physically or mentally incapable of acting as a director and may remain so for more than three months; or

- 5.1.4 by reason of that Director's mental health, an order is made which wholly or partly prevents him from personally exercising any powers or rights which that Director might otherwise have; or
  - 5.1.5 he shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated;
  - 5.1.6 he resigns his office by notice in writing to the Company or he offers in writing to resign and the Directors resolve to accept such offer; or
  - 5.1.7 being a Managing Director or a Director holding an executive office, he is dismissed from such office; or
  - 5.1.8 he is requested in writing by all the other Directors to resign.
- 5.2 Without prejudice to the provisions of sections 168 and 169 of the Act, the Company may by ordinary resolution of which special notice has been given in accordance with that Act remove from office any Director notwithstanding anything in the Articles or in any agreement between the Company and such Director and without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company and appoint another person in place of a Director so removed from office and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

## **6 REMUNERATION OF DIRECTORS**

- 6.1 Directors may undertake any services for the company that the directors decide.
- 6.2 Directors are entitled to such remuneration as the directors determine:-
  - 6.2.1 for their services to the company as directors, and
  - 6.2.2 for any other service which they undertake for the company.
- 6.3 Subject to the articles, a director's remuneration may:-
  - 6.3.1 take any form, and
  - 6.3.2 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.
- 6.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 6.5 Any Director who holds any executive office (including for this purpose the office of chairman or deputy chairman whether or not such office is held in an executive capacity), or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors or any committee of the Directors may determine.



## **7 DIRECTORS' EXPENSES**

The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

## **8 DIRECTORS' APPOINTMENTS**

- 8.1 Subject to the provisions of the Companies Acts the Directors may appoint one or more of their number to the office of Managing Director or to any other executive office under the Company, may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director and may permit any person appointed to be a Director to continue in any other office or employment held by him in the Company before he was so appointed. Any such appointment, agreement or arrangement may be made upon such terms as the Directors or any committee of the Directors may determine and they may remunerate any such Director for his services as they think fit.
- 8.2 Without prejudice to the generality of Article 8.1 the Directors may entrust to and confer upon any Director holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.
- 8.3 Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company.

## **9 AUTHORISATION OF DIRECTORS' INTERESTS**

- 9.1 The Directors may authorise any matter where any Director (or former Director if that former Director is still subject to the statutory duty to avoid conflicts of interest) has or may have a direct or indirect interest and/or duty that conflicts or possibly may conflict with the interests and/or duties of the Company provided that:-
- 9.1.1 the Director concerned and any other interested Director are not counted towards any requirement as to quorum; and
  - 9.2.2 the matter is agreed without such Director or other Director voting (or would have been agreed to if their votes had not counted).
- 9.2 Any authorisation of a matter under this Article 9 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised. However, for the avoidance of doubt, no authorisation is required under Article 9.1 in relation to a transaction or arrangement with the Company.
- 9.3 The authorising Directors may impose any limits or conditions on their authorisation under Article 9.1 at the time when such authorisation is given or subsequently as they in their discretion consider appropriate including the following:-
- 9.3.1 limiting or preventing the disclosure of information to the Director who has or may have the interest that is the subject of the authorisation;

9.3.2 limiting or preventing the attendance of such Director at any board meeting or discussion; and

9.3.3 limiting or preventing the availability of board or briefing papers to such Director

in each case to the extent the authorising Directors consider appropriate to protect that Director from being in breach of his statutory duty to avoid conflicts of interest.

9.4 Provided a Director complies with any limits or conditions referred to in Article 9.3, he shall not, except as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under this Article 9 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

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#### **DIRECTORS' PERMITTED INTERESTS**

10.1 Provided he has declared to the Directors the nature and extent of any interest of his at a meeting of the Board or in the manner set out in section 184 or 185 of the Act, a Director, notwithstanding his office:-

10.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with a Relevant Company;

10.1.2 may be a director or other officer of, or employed by or otherwise interested in any Relevant Company;

10.1.3 may act (or any firm of which he is a partner, employee or member may act) in a professional capacity for any Relevant Company (other than as auditor) whether or not he or it is remunerated; and

10.1.4 may have any other interest authorised by ordinary resolution of the Company.

No authorisation under Article 9 shall be necessary in respect of any such interest.

10.2 Such Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such Relevant Company and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

10.3 For the purposes of this Article 10, "Relevant Company" means:-

10.3.1 the Company;

10.3.2 a subsidiary undertaking of the Company;

10.3.3 any holding company of the Company or a subsidiary undertaking of any such holding company;

10.3.4 any body corporate promoted by the Company; or

10.3.5 any body corporate in which the Company is otherwise interested.

**DIRECTORS' GRATUITIES AND EXPENSES**

The Company may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director or former Director and for any member of his family (including a spouse or civil partner or a former spouse or civil partner) or for any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

**12 POWERS OF DIRECTORS**

- 12.1 The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Companies Acts or by the Articles required to be exercised by the Company in general meeting subject nevertheless to any regulations of the Articles, to the provisions of the Companies Acts and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by special resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article 12.1 shall not be limited or restricted by any special authority or power given to the Directors by any other Article. Subject to the provisions of the Articles all powers of the Directors shall be exercised at a meeting of the Directors which has been validly convened and at which a quorum is present.
- 12.2 The Directors may exercise any power conferred by the Act 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 the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

**13 DELEGATION OF DIRECTORS' POWERS**

- 13.1 The Directors may establish any local, group or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local, group or divisional boards, or any managers or agencies, and may fix their remuneration, and may subject to the provisions of the Articles delegate to any local, group or divisional board, managers or agencies any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any such boards or agencies or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- 13.2 The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the agent or agents or attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Articles) and for such period and subject to such conditions as they may think fit, and any such appointment or power of attorney may contain such provisions for the protection and convenience of persons dealing with any such agent or attorney as the Directors may think fit, and may also authorise any such agent or attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

13.3 The Directors may delegate any of their powers or discretions to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that:-

13.3.1 the number of co-opted members shall be less than one half of the total number of members of the committee; and

13.3.2 no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors.

13.4 The meetings and proceedings of any such committee consisting of two or more members shall be governed mutatis mutandis by the provisions of the Articles regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under Article 13.3.

## 14 **BORROWING POWERS**

14.1 Subject as hereinafter provided and to the provisions of the Companies Acts the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

14.2 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so far, as regards subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Group (which expression in this Article 14 means and includes the Company and its subsidiaries for the time being) and for the time being owing to persons outside the Group shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to [two] times the Adjusted Capital and Reserves.

14.3 For the purpose of the foregoing limit the following provisions shall apply:-

14.3.1 the Adjusted Capital and Reserves shall mean the aggregate of:-

(a) the amount paid up on the issued share capital of the Company; and

(b) the total of the capital and revenue reserves of the Group (including any share premium account, capital redemption reserve fund, credit balance on the consolidated profit and loss account and credit balance on any other undistributable reserves) but excluding sums set aside for taxation (including deferred taxation) and amounts attributable to outside shareholders in subsidiaries and deducting any debit balance on the consolidated profit and loss account (except to the extent that such deduction has already been made)

(c) all as shown in the latest audited consolidated balance sheet of the Group but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account or other reserves (other than as a

result of trading profits or losses) of the Company since the date of its latest audited balance sheet and to reflect any change since that date in the companies comprising the Group [and to take account of any other factor which the Auditors consider relevant];

- 14.3.2 there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed moneys of the relevant member of the Group (to the extent that the same would not otherwise fall to be taken into account):-
- (a) the principal amount of all debentures (including any fixed or minimum premium payable on final repayment) of any member of the Group which are not for the time being beneficially owned within the Group;
  - (b) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
  - (c) the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary of the Company not for the time being beneficially owned by other members of the Group;
  - (d) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed moneys (not being shares or debentures which or borrowed moneys the indebtedness in respect of which is for the time being beneficially owned within the Group) the redemption whereof is guaranteed or wholly or partly secured by any member of the Group; and
  - (e) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account;
- 14.3.3 moneys borrowed by any member of the Group for the purpose of repaying or redeeming (with or without premium) in whole or in part of any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account;
- 14.3.4 any amounts borrowed by any member of the Group from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business shall be deemed not to be borrowed moneys;
- 14.3.5 moneys borrowed by a partly-owned subsidiary and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion and moneys borrowed and owing to a partly owned subsidiary by another member of the Group shall be taken into account to the extent of a proportion thereof equal to the minority proportion; for the purposes aforesaid "minority proportion" shall mean the proportion of the issued equity share capital of such partly owned subsidiary which is not attributable to the Company;

- 14.3.6 borrowed moneys of any member of the Group expressed in or calculated by reference to a currency other than sterling shall be translated into sterling using the methods applied in translating the appropriate item in the balance sheet of the relevant member of the Group for the preparation of the last audited consolidated accounts of the Group or by reference to the rate of exchange or approximate rate of exchange ruling on whatever date and determined on whatever basis the Auditors may determine or approve.
- 14.4 No person dealing with the Company or any of its subsidiaries shall be concerned to see or enquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.
- 14.5 In this Article 14 references to a consolidated balance sheet or profit and loss account are to be taken, in the case where the Company has no subsidiaries, as references to the balance sheet or profit and loss account of the Company and, in a case where the Company has subsidiaries but there are no consolidated accounts of the Group, as references to the respective balance sheets or profit and loss accounts of the companies comprising the Group.
- 14.6 A certificate or report by the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of moneys borrowed or to the effect that the limit imposed by this Article 14 was not or will not be exceeded at any time or times shall be conclusive evidence of such amount or fact for the purpose hereof.

## **15 PROCEEDINGS OF DIRECTORS**

- 15.1 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors. A Director is treated as having waived his entitlement to receive notice of a meeting of the Directors unless he supplies to the Company the information necessary to ensure that he receives notice of such a meeting before it takes place.
- 15.2 Any Director may waive notice of any meeting and any such waiver may be retrospective.
- 15.3 Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote. Any Director may participate in a meeting by means of conference telephone or other communication equipment whereby all persons participating in the meeting can hear each other and any Director so participating shall be deemed to be present in person at that meeting. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the chairman of the meeting then is.
- 15.4 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two. An alternate Director who is not himself a Director shall, if his appointor is not present, be counted in the quorum. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

- 15.5 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, they may act only for the purpose of filling vacancies or of calling a general meeting. If there be no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.
- 15.6 The Directors may elect from their number a chairman of the Board and one or more deputy chairmen and determine the period for which each is to hold office, but if no chairman or deputy chairman has been appointed or if at any meeting of the Directors no chairman or deputy chairman shall be present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.
- 15.7 If at any time there is more than one deputy chairman the right in the absence of the chairman to preside at a meeting of the Directors or of the Company shall be determined as between the deputy chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.
- 15.8 All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or alternate Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or alternate Director, as the case may be, and had been entitled to vote.
- 15.9 A resolution in writing is adopted when two-thirds of the Directors entitled to vote on such a resolution have signed one or more copies of it or otherwise indicated their agreement to it in writing and, once adopted, shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held; but a resolution agreed to by an alternate Director need not also be agreed to by his appointor and, if it is agreed to by a Director who has appointed an alternate Director, it need not be agreed to by the alternate Director in that capacity.
- 15.10 A resolution in writing of the Directors is not adopted if the number of Directors who have agreed to it is less than the quorum for Directors' meetings.

## 16 **RESTRICTIONS ON VOTING AND QUORUM**

- 16.1 Except as otherwise provided by the Articles and whether or not the interest is one which is authorised pursuant to Article 9 or permitted under Article 10, a Director shall not be entitled to vote on any resolution in respect of any contract, transaction or arrangement or any other proposal in which he or any person connected with him has an interest. Any vote of a Director in respect of a matter where he is not entitled to vote shall be disregarded.
- 16.2 A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is not entitled to vote.
- 16.3 Subject to the Companies Acts, a Director shall (in the absence of some other interest than is set out below) be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters, namely:-
- 16.3.1 proposals relating to any indemnities or provision of funds from the Company in favour of the Director which comply with the relevant provisions of Article 28;

- 16.3.2 proposals in which he has an interest only by virtue of interests in shares, debentures or other securities of the Company, or by reason of any other interest in or through the Company;
  - 16.3.3 the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
  - 16.3.4 the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - 16.3.5 where the Company or any of its subsidiary undertakings is offering securities in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
  - 16.3.6 any proposal concerning another company in which he and any persons connected with him do not to his knowledge hold an interest (as that term is used in sections 820 and 822-824 of the Act) representing 1% or more of either any class of the equity share capital, or the voting rights, in such company;
  - 16.3.7 any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
  - 16.3.8 any proposal concerning insurance which the Company proposes to purchase or maintain for the benefit of Directors;
  - 16.3.9 any proposal in which he has an interest of which he is not aware or an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - 16.3.10 proposals in respect of which his interest or the interest of Directors generally has been authorised by an ordinary resolution of the Company.
- 16.4 Where proposals are under consideration concerning the appointment or termination of appointment (including fixing or varying the terms of appointment or termination of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under the Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment or termination of appointment.
- 16.5 If any question shall arise at any meeting as to the existence of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall (unless the Director concerned is the chairman in which case he shall withdraw from the meeting and the Directors shall elect (if it shall not already have done so) a deputy chairman to consider the question in place of the chairman) be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned has not been disclosed in accordance with the Articles and the Companies Acts and provided that any



such question shall, for the purposes of disclosure of the interest in the accounts of the Company, be finally and conclusively decided by a majority of the Directors (other than the Director concerned).

17 **CONFIDENTIAL INFORMATION**

- 17.1 Subject to Article 17.2, if a Director, otherwise than by virtue of his position as Director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:-
- 17.1.1 to disclose such information to the Company or to the Directors, or to any Director, officer or employee of the Company; or
  - 17.1.2 otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.
- 17.2 Where such duty of confidentiality arises out of a situation in which the Director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company, Article 17.1 shall apply only if the conflict arises out of a matter which has been authorised under Article 9 or falls within Article 10.1.
- 17.3 This Article 17 is without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 17.

18 **DIRECTORS' INTERESTS – GENERAL**

- 18.1 For the purposes of Articles 9, 10, 16 and 17:-
- 18.1.1 an interest of a person connected with a Director shall be treated as an interest of the Director; and
  - 18.1.2 section 252 of the Act shall determine whether a person is connected with a Director.
- 18.2 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director shall, if so requested by the Directors, take such additional steps as may be necessary or desirable for the purpose of managing such conflict or interest, including compliance with any procedures laid down from time to time by the Directors for the purposes of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including:-
- 18.2.1 absenting himself from any meetings of the Directors at which the relevant situation or matter falls to be considered; and
  - 18.2.2 not reviewing documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

**SECRETARY**

Subject to the provisions of the Companies Acts, the Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as joint secretaries. The Directors may also appoint from time to time on such terms as they may think fit a deputy secretary or one or more assistant secretaries.

**20 AUTHENTICATION OF DOCUMENTS**

Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company in reliance thereon that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

**21 RESERVES**

The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Companies Acts.

**22 DIVIDENDS**

- 22.1 The Company may by ordinary resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.
- 22.2 If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit. Provided that the Directors shall act in good faith, they shall not incur any liability to the holders of shares conferring preferred rights for any loss which they may suffer in consequence of the payment of a dividend on any shares having non-preferred or deferred rights.
- 22.3 Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid and shall (as regards any

shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article 22 no amount paid on a share in advance of calls shall be treated as paid on the share.

- 22.4 No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Companies Acts.
- 22.5 Subject to the provisions of the Companies Acts, where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.
- 22.6 No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
- 22.7 The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- 22.8 The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
- 22.9 The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
- 22.10 The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of six years from the date the dividend became due for payment shall be forfeited and shall revert to the Company.
- 22.11 The Company may upon the recommendation of the Directors by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.
- 22.12 The Company may transmit any dividend or any other moneys payable in respect of any share in the form of a cheque, warrant or similar financial instrument by post to the registered address of the holder or person entitled thereto or, if two or more persons are

the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to any one of such persons, or to such person and address as the holder or joint holders or person or persons entitled may be writing direct. Alternatively, if the Directors shall so determine, such payment may be made by any form of electronic media to a bank account of the person otherwise entitled to receive payment by cheque or warrant pursuant to Articles 22.12 and 22.13. Every such cheque or warrant shall be made payable to or to the order of the person to whom it is sent and any payment by electronic media shall be paid to the bank account details of which shall have been provided to the Company in writing by the person entitled to receive the same. Every such payment shall be sent at the risk of the person entitled to receive the same and shall be a good discharge to the Company. If cheques or warrants in respect of dividends are returned undelivered or are left uncashed on two consecutive occasions or if the transfer or other means of payment has failed and reasonable enquiries made by the Company have failed to establish any new address of the holder of those shares, the Directors may cause the Company to cease sending such cheques or warrants by post or stop the transfer of any sum by any bank or other funds transfer system or stop any other means of payment to the member or members or person or persons concerned.

- 22.13 If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

## 23 **RECORD DATES**

Notwithstanding any other provisions of the Articles, but without prejudice to any rights attached to any existing shares or to the rights inter se in respect thereof of transferors and transferees of any shares and subject always to the Companies Acts, the Company or the Directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution or an allotment or issue made or a notice, information or document sent or circulated, and that date may be before, on or after the date on which the dividend or distribution is declared or paid, the allotment or issue is made or the notice, information or document is sent or circulated.

## 24 **CAPITALISATION OF PROFITS AND RESERVES**

- 24.1 The Directors may, with the sanction of an ordinary resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the holders of ordinary shares on the Register at the close of business on the date of the resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of ordinary shares and applying such sum on their behalf in paying up in full unissued ordinary shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully-paid up to and amongst them as bonus shares in the proportion aforesaid provided that the Company shall not apply an unrealised profit in paying up debentures or any amounts unpaid on any of its issued shares and the only purpose to which sums standing to a share premium account or capital redemption reserve shall be applied pursuant to this Article 24 shall be the payment up in full of unissued shares to be allotted and distributed as aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions

whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

- 24.2 Where pursuant to an employees' share scheme, the Company has granted options to subscribe for shares on terms which provide inter alia for adjustments to the subscription price payable on the exercise of such options or to the number of shares to be allotted upon such exercise in the event of any increase or reduction in or other reorganisation of the Company's issued share capital and an otherwise appropriate adjustment would result in the subscription price for any share being less than its nominal value, then, subject to the provisions of the Companies Acts, the Directors may, on the exercise of any of the options concerned and payment of the subscription which would have applied had such adjustment been made, capitalise any such profits or other sum as is mentioned in Article 24.1 to the extent necessary to pay up the unpaid balance of the nominal value of the shares which fall to be allotted on the exercise of such options and apply such amount in paying up such balance and allot shares fully paid accordingly.
- 24.3 The provisions of Article 24.1 shall apply mutatis mutandis to Article 24.2 (but as if the authority of an ordinary resolution of the Company were not required).
- 24.4 The Directors may with the prior sanction of an ordinary resolution of the Company offer the holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of such dividend or dividends (or part thereof) as are specified by any such resolution. The following provisions shall apply:-
- 24.4.1 the said resolution may specify a particular dividend or may specify all or any dividends declared or resolved in respect of a specified period but such period may not end later than the expiry of two months following the conclusion of the annual general meeting next following the date of the meeting at which such resolution is passed provided nevertheless that the Directors may in their absolute discretion suspend or terminate (whether temporarily or otherwise) such right to elect and may do such things and acts considered necessary or expedient with regard to, or in order to effect, any such suspension or termination;
- 24.4.2 in each year when a dividend or dividends become payable on fully-paid ordinary shares the first 0.1p per share of the first dividend to be declared in each year (or, if less, the amount of such dividend) shall not be subject to the said right of election but shall in any event be payable in cash;
- 24.4.3 the Directors may specify a minimum number of ordinary shares in respect of which the right of election may be exercised. The basis of allotment shall be such that no member may receive a fraction of a share and the Directors may make such provision as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit accrues to the Company;
- 24.4.4 the Directors may make exclusions or restrictions as respects the rights of certain shareholders to elect to receive ordinary shares instead of cash as they think necessary or desirable in relation to compliance with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;

- 24.4.5 the Directors, after determining the basis of allotment, shall notify the holders of ordinary shares in writing of the right of election and specify the procedure (including any form of election) determined by the Directors to be followed and place at which, and the latest time by which (being at least 21 days after the despatch of the notice), duly completed forms of election must be lodged in order to be effective;
- 24.4.6 the dividend (or that part of the dividend in respect of which a right of election has been offered and other than the part payable in cash under Article 24.4.2) shall not be payable on ordinary shares in respect whereof the said election has been duly made (the "Elected Ordinary shares") and instead thereof additional ordinary shares shall be allotted to the holders of the Elected Ordinary shares on the basis of allotment determined as aforesaid; for such purpose the Directors shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the Directors may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to and amongst the holders of the Elected Ordinary shares on such basis. A resolution of the Directors capitalising any part of the reserves or profits hereinbefore mentioned shall have the same effect as if such capitalisation had been sanctioned by an ordinary resolution of the Company in accordance with Articles , and ;
- 24.4.7 notwithstanding the foregoing, the Directors may at any time prior to payment of the relevant dividend determine, if it appears to them desirable to do so because of a change in circumstances, that the dividend shall be payable wholly in cash after all and if they so determine then all elections made shall be disregarded;
- 24.4.8 the additional ordinary shares so allotted shall be allotted as of the record date for the dividend in respect of which the right of election has been offered and shall rank *pari passu* in all respects with the fully paid ordinary shares then in issue except only that the shares so allotted will not rank for any dividend or other distribution or other entitlement which has been declared, made, paid or payable by reference to such record date or any earlier record date;
- 24.4.9 the Directors shall have power to do all acts and things as they consider necessary or expedient to give effect to this Article 24.4.

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## **AUDITORS**

Subject to the provisions of the Companies Acts, all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there is some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

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## **COMMUNICATIONS**

### **26.1 Manner of Communications**

Any documents or information to be sent or supplied by or to the Company may be sent or supplied in hard copy form, in electronic form or by means of a website to the extent permitted by the Companies Acts and the Articles.

## **26.2 Communications by the Company by means of a Website**

A document or information may only be sent or supplied by the Company to a person by being made available on a website if the person:-

26.2.1 has agreed (generally or specifically) that the document or information may be sent or supplied to him or her in that manner; or

26.2.2 is taken to have so agreed in accordance with the Act,  
and has not revoked that agreement.

## **26.3 Communications by Other Means**

26.3.1 A document or information that is sent or supplied to the Company otherwise than in hard copy form, electronic form or by means of a website is validly sent or supplied if it is sent or supplied in a form or manner that has been agreed by the Company.

26.3.2 A document or information that is sent or supplied by the Company or the Board otherwise than in hard copy form, electronic form or by means of a website is validly sent or supplied if it is sent or supplied in as form or manner that has been agreed by the intended recipient.

## **26.4 Suspension of Supply of Documents and Information to a Member**

26.4.4 If on three consecutive occasions documents or information (including any dividend payment or a copy of any statutory accounts or summary financial statement) have been sent or supplied to any member in accordance with any provisions of this Article 26, such member shall not thereafter be entitled to receive any documents or information from the Company until he or she shall have communicated with the Company and supplied in writing (signed by him or her) to the Company a new registered address or an address within the United Kingdom for the service of notices.

26.4.5 If any document or information (including any dividend payment or a copy of any statutory accounts or summary financial statement) have been sent or supplied by electronic means in accordance with this Article 26 to any member at his or her address specified for the purpose or deemed to be so specified and the Company becomes aware of a failure in delivery (and subsequent attempts to send or supply such document or information by electronic means also result in a failure in delivery), the Company shall either:-

(a) send or supply a hard copy of such document or information to such member; or

(b) notify such member that such information or document is available on a specified website and how the member may access that website.

## **26.5 When Service Effected on a Member**

26.5.1 Where a document or information is sent or supplied by post, service or delivery shall be deemed to be effected at the expiration of 24 hours after the time when the cover containing the same is posted (irrespective of the class or type of post

used) and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed and posted.

- 26.5.2 Where a document or information is sent or supplied by electronic means to an address specified for the purpose by the intended recipient, service or delivery shall be deemed to be effected on the same day on which it is sent or supplied and in proving such service it will be sufficient to prove that it was properly addressed.
- 26.5.3 Where a document or information is sent or supplied by means of a website, service or delivery shall be deemed to be effected when:-
- (a) the material is first made available on the website; or
  - (b) if later, when the recipient received (or, in accordance with this Article 26.5, is deemed to have received) notification of the fact that the material was available on the website.

26.6 **Documents and Information to Joint Holders**

- 26.6.1 In respect of joint holdings, documents or information shall be validly sent or supplied to all joint holders if sent or supplied to that one of the joint holders whose name first appears in the register.
- 26.6.2 Anything to be agreed or specified in relation to documents or information to be sent or supplied to joint holders, may be agreed or specified by that one of the joint holders whose name appears first in the register.

26.7 **Members Not Entitled to Documents and Information**

A member who (having no registered address within the United Kingdom) has not supplied to the Company an address in the United Kingdom at which documents or information may be sent or supplied to him or her in hard copy form, or an address to which documents or information may be sent or supplied to him or her by electronic means, is not entitled to have documents or information sent or supplied to him or her by the Company.

26.8 **Communications to Directors**

- 26.8.1 Communications to Directors may be provided to a Director in hard copy form, by word of mouth or by electronic means and, in the case of a written communication or a communication sent by electronic means, sent to the Director at his last known address or such other address as may be notified to the Secretary from time to time.
- 26.8.2 A communication to a Director sent by fax or electronic mail shall be deemed to have been given or served at the time of despatch and if sent by post or courier shall be deemed to have been received 24 hours from the time of posting or despatch (if within the United Kingdom) and 48 hours in the case of international mail or couriers. A communication to a Director shall be deemed duly served if sent to the address, fax number or electronic mail address last provided by each Director to the Secretary.
- 26.8.3 The non-receipt by any Director of any communication served in accordance with this Article 26.8 shall not invalidate any meeting of Directors or any written



resolution of the Directors agreed to in accordance with Article 15.9 to which the communication relates if such meeting or resolution is otherwise held or agreed to in accordance with the provisions of the Articles.

26.9 **Companies Acts Requirements**

Nothing in the Articles shall affect any requirement of the Companies Acts that any particular offer, notice or other document be served in any particular manner.

27 **WINDING UP**

If the Company is wound up (whether the liquidation is voluntary, under supervision, or by the Court), the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Acts, divide among the members in specie or kind the whole or any part of the assets of the Company and may, for that purpose, value any assets as he deems fair and determine and how the 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 the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

28 **INDEMNITY AND FUNDING OF DEFENCE COSTS**

28.1 Subject to the provisions of and so far as may be consistent with the Act, the Company shall provide:-

28.1.1 for a Director or for a director of an associated company of the Company an indemnity out of the assets of the Company to the extent that such indemnity is a "qualifying third party indemnity provision" within the meaning of section 234 of the Act;

28.1.2 a Director with funds in accordance with section 205 of the Act to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with any application under the provisions mentioned in section 205(5) of the Act or to enable a Director to avoid incurring such expenditure, but so that any provision of funds will become repayable by the Director or any liability of the Company under any transaction connected with any provision of funds will become repayable by the Director not later than:-

- (a) in the event of the Director being convicted in the proceedings, the date when the conviction becomes final;
- (b) in the event of judgement being given against him in the proceedings, the date when the judgement becomes final; or
- (c) in the event of the court refusing to grant him relief on the application, the date when the refusal of relief becomes final; and

28.1.3 a Director with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, breach of duty or breach of trust by that Director in relation to the Company or an associated company of the Company or to enable a Director to avoid incurring such expenditure.

- 28.2 Subject to the provisions of the Act, where the Company or an associated company of the Company is a trustee of an occupational pension scheme, the Company may provide for a Director or for a director of such associated company an indemnity out of the assets of the Company against liability incurred in connection with the activities of the Company or such associated company as trustee of such a scheme provided that such indemnity complies with the provisions of section 235 of the Act.
- 28.3 In this Article , companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

## 29 **INSURANCE**

- 29.1 Subject to the provisions of the Act, the Directors may purchase and maintain insurance at the expense of the Company for the benefit of any Director or former director or other officer of the Company or for any director, former director or other officer of an associated company of the Company against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a director or officer.
- 29.2 In this Article 29, companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.