

**The Companies Act 2006**

**Public Company Limited by Shares**

**Articles of Association**

**of**

**Inland ZDP plc**

(Adopted by special resolution passed on      December 2012)



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## Articles of Association

of

### Inland ZDP plc

(Adopted by special resolution passed on            December 2012)

#### 1        **Exclusion of regulations**

No regulations including, without limitation, any model Articles, set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the regulations or Articles of the Company.

#### 2        **Definitions**

2.1        In these Articles the following words shall, unless inconsistent with the subject or context, bear the meanings set out below:

**2006 Act:** the Companies Act 2006;

**address:** includes a number or address (including, in the case of any Uncertificated Proxy Instruction pursuant to Article 26.2.8, an identification number of a participant in the Relevant Electronic System concerned) used for the purposes of sending notices, documents or other information by electronic means;

**AIM:** the AIM market of the London Stock Exchange;

**Articles:** these Articles of Association as originally adopted or as from time to time altered;

**Assets:** the net sum of (i) consolidated gross assets of the Group; (ii) less intangible assets; (iii) less cash; (iv) less trade creditors payable before six months following the ZDP Final Payment Date; and (v) less deferred consideration payable for sites purchased by the Group other than (a) Excess Deferred Consideration and (b) any deferred consideration payable after six months following the ZDP Final Payment Date;

**Auditors:** the auditors for the time being of the Company;

**Board or Directors:** the board of directors of the Company or the directors present at a meeting of the directors at which a quorum is present;

**Business Day:** a day (excluding Saturdays, Sundays or public holidays) on which banks generally are open for business in London;

**Company:** Inland ZDP plc;

**Company's Registrars:** the registrars for the time being of the Company;

**Contribution Agreement:** the contribution agreement dated on or around the date of these Articles entered into between the Company and the Parent;

**Cover** or **Cover Ratio**: the ratio of: (i) Assets to (ii) the sum of Financial Indebtedness and the ZDP Liability as at the ZDP Final Payment Date;

**Cover Test**: has the meaning given to it in Article 9.2;

**electronic address**: any number or address used for the purposes of sending or receiving notices, documents or information by electronic means;

**electronic form** and **electronic means**: have the meanings given to them in Section 1168 of the 2006 Act;

**Excess Deferred Consideration**: deferred consideration due to a vendor by the Group in respect of any site which represents more than 60 per cent. of the initial purchase price of such site excluding amounts payable after six months following the ZDP Final Payment Date and excluding amounts in respect of which the vendor has no recourse to the assets of the Group other than the asset sold by such vendor;

**Final Capital Entitlement**: has the meaning given to it in Article 8.1.2(a);

**Financial Indebtedness**: the net sum of: (i) bank and other borrowings less any cash of the Group; and (ii) Excess Deferred Consideration other than any such indebtedness which is repayable after six months following the ZDP Final Payment Date;

**Group**: the Parent and its subsidiaries and subsidiary undertakings from time to time;

**Issue**: the issue of ZDP Shares as described in the prospectus issued by the Company and the Parent on 14 December 2012;

**Loan Note**: the loan note issued by the Parent to the Company dated on or around the date of these Articles;

**London Stock Exchange**: the London Stock Exchange plc;

**month**: calendar month;

**Office**: the registered office for the time being of the Company;

**Official List**: the official list maintained by the UK Listing Authority;

**Ordinary Shares**: Ordinary Shares of £1 each in the capital of the Company;

**Parent**: Inland Homes plc (company registration number: 5482990);

**properly authenticated dematerialised instruction**: has the same meaning as in the Regulations;

**Register**: the register of members of the Company;

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

**Relevant Electronic System:** the computer-based system, and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument;

**Seal:** the common seal of the Company;

**Secretary:** the secretary of the Company and any joint, assistant or deputy secretary and a person appointed by the Board to perform the duties of the secretary;

**shares:** the ZDP Shares and the Ordinary Shares;

**Statutes:** the 2006 Act and, where the context requires, every other statute or regulations for the time being in force concerning companies and affecting the Company;

**Takeover Code:** the City Code on Takeovers and Mergers published by the Panel;

**ZDP Final Payment Date:** 10 April 2019;

**ZDP Liability:** the total amount due to ZDP Shareholders on the ZDP Final Payment Date; and

**ZDP Shares:** zero dividend preference shares of 10 pence each in the capital of the Company.

2.1.1 "in writing" and "written" shall include any way of representing or copying words legibly, and documents and information in electronic form are "in writing" for the purposes of these Articles;

2.1.2 "paid up" shall include credited as paid up;

2.1.3 words importing the singular shall include the plural and vice versa;

2.1.4 words importing the masculine gender shall include the feminine;

2.1.5 words importing persons shall include corporations;

2.1.6 a reference to shares or debentures in "**uncertificated form**" means shares or debentures title to which is recorded in the Register or the register of debenture holders as the case may be as being held in such form and which by virtue of the Regulations may be transferred by means of a Relevant Electronic System and a reference to share or debentures in "**certificated form**" means shares or debentures title to which is not so recorded and may not be so transferred; and

2.1.7 where an ordinary resolution of the Company is expressed to be required for any purpose, a special resolution is also effective for that purpose.

2.2 References in these Articles to an appointment of a proxy include references to an appointment of multiple proxies.

2.3 Subject to the provisions of the last preceding Article and unless the context otherwise requires, words or expressions contained in these Articles bear the same

meaning as in the Statutes but excluding any statutory modification thereof not in force when these Articles are adopted.

### **3 Liability of members**

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

### **4 Prohibition on financial assistance**

Except as permitted by the Statutes, the Company shall not give any financial assistance directly or indirectly for the purpose of the acquisition or the proposed acquisition of any shares in the Company or its holding company (if any) nor for the purpose of reducing or discharging any liability incurred for the purpose of such acquisition.

### **5 Payment of commissions**

The Company may exercise the powers of paying commissions conferred by the Statutes. Any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares, or partly in one way and partly in the other and may be in respect of a conditional or an absolute subscription.

### **6 Trusts not recognised**

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and (except only as by these Articles or by law otherwise provided) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the registered holder.

### **7 Share capital**

7.1 The Company's shares shall be divided into the following classes:

7.1.1 Ordinary Shares; and

7.1.2 ZDP Shares.

### **8 Share rights**

8.1 The following rights shall be attached to the Ordinary Shares and the ZDP Shares.

8.1.1 As to dividends:

(a) the ZDP Shares carry no rights to receive dividends out of the revenue or any other profits of the Company;

(b) the Ordinary Shares carry the right to receive the profits of the Company available for distribution and determined to be distributed by way of interim and/or final dividends and at such time as the Directors may determine.

8.1.2 On a return of capital, on a winding-up or otherwise, the assets of the Company available for distribution to members in accordance with the Act will be applied as follows:

- (a) first there shall be paid to the holders of the ZDP Shares an amount equal to 100p per ZDP Share as increased each day from 20 December 2012 up to and including 10 April 2019 at the daily compound rate which would result in a final entitlement of 155.9p ("**Final Capital Entitlement**") on 10 April 2019;
- (b) second, there shall be paid to the holders of the Ordinary Shares the surplus assets of the Company available for distribution.

8.1.3 As to voting:

- (a) ZDP Shares:
  - (i) the holders of the ZDP Shares shall have the right to receive notice of general meetings of the Company and, for information only, the Parent but shall not have the right to attend or vote either at any general meeting of the Parent or at any general meeting of the Company unless in respect of any general meeting of the Company only the business of the meeting includes any resolution to vary, modify or abrogate any of the special rights attached to the ZDP Shares or on any resolution to wind up the Company and at any meeting where any such business is to be considered such holders shall be entitled to vote in relation to such business alone; and
  - (ii) where by virtue of the provisions of Article 8.1.3(a)(i) above the holders of the ZDP Shares are entitled to vote, every such holder present in person or by a duly authorised representative (if a corporation) at a meeting of the Company shall, subject always to Article 49, in relation to such business, have one vote in respect of every ZDP Share held by him;
- (b) Ordinary Shares:
  - (i) the holders of the Ordinary Shares shall have the right to receive notice of and attend and vote at general meetings of the Company; and
  - (ii) each holder of Ordinary Shares being present in person or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall have one vote in respect of every Ordinary Share held by him;

## **9 Class rights**

- 9.1 Subject to Articles 9.3 and 9.4 below, the Company shall not without the previous sanction of a special resolution of the holders of the ZDP Shares passed at a separate



general meeting of such holders of ZDP Shares convened and held in accordance with the provisions of these Articles:

- 9.1.1 issue and shall, so far as it is able, procure that no other member of the Group shall, issue (other than to the Parent or any directly or indirectly wholly owned subsidiary thereof), further shares or securities, or rights to subscribe for or to convert or exchange any securities into shares or securities save that there may be issued at any time by any member of the Group shares, securities or rights to subscribe for or to convert or exchange into shares, and shares may be reclassified as such other shares, provided that in any event the Cover Test is satisfied immediately following such issue;
- 9.1.2 pass a resolution amending Article 49 or releasing the Directors from their obligation to convene a general meeting on 10 April 2019 at which a resolution will be proposed requiring the Company to be wound up voluntarily;
- 9.1.3 pass, and shall so far as it is able, procure that no other member of the Group shall pass, a resolution to reduce the capital of the Company or any member of the Group in any manner, including any resolution authorising the directors of the relevant company to purchase shares in such company save that the relevant member of the Group may without such sanction take authority to make, and effect, purchases of its own shares provided that, in any event, the Cover Test would be met immediately following any such purchase;
- 9.1.4 permit the Company or, so far as it is able, permit any other member of the Group either to increase the aggregate principal amount of monies borrowed by the Company or any other members of the Group (excluding monies borrowed by any one of such companies from any other of them but including monies borrowed from bankers for temporary purposes only and in the ordinary course of business) such that the limits and restrictions stated in the Articles of Association of the Parent would be breached or amend such limits and restrictions;
- 9.1.5 pass a resolution resulting in less than two individuals from the Board of Directors of the Parent being on the Board of Directors of the Company as constituted from time to time;
- 9.1.6 pass, and shall, so far as it is able, procure that no other member of the Group shall pass, any resolution which authorises the directors of the relevant company to pay a dividend or other distribution or make a capital distribution or otherwise make a payment in cash or kind to the shareholders of the relevant company save that no such sanction shall be required provided that in any event the Cover Test is satisfied immediately following such payment or making of dividend or distribution or in the case of the payment of any dividend or other distribution or the making of any capital distribution or otherwise the making of a payment in cash or kind by a member of the Group to shareholders who are also members of the Group ("**Intra Group Distributions**") if the Cover immediately prior to the

making of the Intra Group Distribution is not reduced as a result of the making of it; or

9.1.7 make any variation of the terms of the Loan Note or Contribution Agreement which, at the time of being made, could reasonably be considered to be materially prejudicial to the interests of the holders of the ZDP Shares.

9.2 For the purpose of this Article 9, the "**Cover Test**" is that the Directors are satisfied (after consulting the Auditors in cases of doubt) that, in their opinion, were the actions detailed in Articles 9.1.1, 9.1.3 or 9.1.6 above (each an "**Action**") to take place on the date specified by the Directors for such calculation (the "**Calculation Date**") those ZDP Shares in issue immediately thereafter would have Cover not less than 1.8 times. In calculating the Cover, the Directors shall:

9.2.1 use the figures set forth in the most recent consolidated management accounts of the Parent and its subsidiaries in accordance with international generally accepted accounting practices approved for use in the European Union prepared as at a date within the three months prior to the Calculation Date;

9.2.2 assume that the Action had been undertaken at the end of the month prior to the Calculation Date;

9.2.3 aggregate the capital entitlements of the existing ZDP Shares and the capital entitlements of any new ZDP Shares or reclassified shares or securities or rights;

9.2.4 aggregate the capital entitlements of the existing ZDP Shares and the capital entitlements of any new ZDP Shares (or any other shares ranking as to capital in priority thereto or *pari passu* therewith) to be issued or reclassified as aforesaid, in each case as at the Calculation Date; and

9.2.5 make such other adjustments as they consider appropriate.

9.3 Notwithstanding Articles 8.1.3(a) and 9.1 above, if any offer is made (whether by the Company or any other person, including proposals for a reduction or cancellation of capital, capitalisation issue, share purchase or repurchase and/or redemption of shares of the relevant class or any shares issued in substitution therefor) to all the holders of ZDP Shares, (other than the offeror and/or persons acting in concert with the offeror) which becomes or is declared unconditional in all respects (or would so become or be declared subject only to the passing of any Recommended Resolution (as defined below)) prior to 10 April 2019, and which enables the holders of the ZDP Shares to receive no later than 10 April 2019 an amount in cash not less than that to which the Directors estimate (so far as practicable at the time and on the basis of such assumptions as they may reasonably deem appropriate) that the ZDP holders would otherwise have been entitled on a winding-up of the Company in accordance with the Articles on the date of such cash payment applying the rate at which the premium over the issue price accrues up to 10 April 2019 (whether or not such offer is accepted in any particular case and ignoring any option to receive alternative consideration) and such offer is recommended by the Directors and stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable the provisions of Article 9.5 below shall apply to the holders of ZDP Shares in relation to

any resolution or resolutions (a "Recommended Resolution") proposed at any general meeting of the Company or at any separate meeting of the holders of ZDP Shares save that the provisions of Article 9.5 below shall cease as regards such shareholders if either the Directors consider that the aforementioned offer is unlikely to be honoured or the offeror breaches a material term of the offer or otherwise manifests an intention not to implement the offer.

9.4 Notwithstanding Articles 8.1.3(a) and 9.1 above, if at any time on or before 10 April 2019 a resolution (a "Reconstruction Resolution") is proposed at any general meeting of the Company or at any separate meeting of any class(es) of shareholders (including the meeting to be convened to consider the winding-up of the Company) to sanction any form of arrangement for the transfer of all or part of the Company's assets to another entity or any proposals for a reduction or cancellation of capital, capitalisation issue, share purchase or repurchase and/or redemption of any shares (including, without limitation, any further resolutions which the Directors consider to be necessary or desirable for the purposes of effecting such proposals) and which enables the holders of the ZDP Shares to receive, no later than 10 April 2019, an amount in cash not less than that to which the Directors estimate (so far as practicable at the time and on the basis of such assumptions as they may reasonably deem appropriate) that such holders would otherwise have been entitled on a winding-up of the Company in accordance with the Articles on 10 April 2019 then (ignoring any option to receive their entitlements otherwise than in cash) provided such arrangement or proposal is recommended by the Directors and stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable, the provisions of Article 9.5 below shall apply to the holders of the shares in relation to such resolution(s) save that such provisions shall cease as regards such shareholders if the arrangement is not implemented in accordance with its terms.

9.5 Where this Article 9.5 applies in respect of any resolution, the holders of ZDP Shares present in person, by a duly authorised representative (if a corporation) or by proxy and entitled to vote, and who shall vote in favour of such resolution shall collectively have four times the number of votes cast against any such resolution and the previous sanction of the ZDP Shareholders by way of a special resolution shall not be required in any case provided that where, notwithstanding the foregoing, such sanction is required in any case by law, all ZDP Shareholders present in person, by a duly authorised representative (if a corporation) or by proxy and entitled to vote at such meeting and who shall vote in favour of any resolutions recommended by the Directors shall collectively (in respect of the rights attached to all such shares) have four times the number of votes cast against the resolution. The vote on any Recommended Offer Resolution or Reconstruction Resolution shall be taken on a poll.

## **10 Certificates**

10.1 Unless otherwise determined by the Board and permitted by the Regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument by virtue of the Regulations. The Board shall have power to implement any arrangements it may, in its absolute discretion, think fit in relation to the evidencing and transfer of shares in uncertificated form (subject always to the Regulations and the facilities and requirements of the Relevant Electronic System concerned).

- 10.2 Conversion of shares in certificated form into shares in uncertificated form and vice versa may be made in such manner as the Board may, in its absolute discretion, think fit (subject always to the Regulations and the facilities and requirements of the Relevant Electronic System concerned).
- 10.3 The Company shall enter on the Register how many shares are held by each member in uncertificated form and in certificated form and shall maintain the Register in each case as is required by the Regulations and the Relevant Electronic System concerned. Unless the Board otherwise determines, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings.
- 10.4 A class of share shall not be treated as two classes by virtue only of that class comprising both shares in certificated form and shares in uncertificated form or as a result of any provision of these Articles or the Regulations which apply only in respect of shares in certificated form or shares in uncertificated form.
- 10.5 The Company shall not be bound to register more than four persons as the joint holders of a share, except in the case of executors or trustees of a deceased member.
- 10.6 The provisions of Articles 10.10 and 10.11 shall not apply to shares or debentures in uncertificated form.
- 10.7 Notwithstanding any other provision of these Articles any provision in these Articles which is inconsistent with the Regulations in relation to the holding of shares in uncertificated form or the transfer thereof by means of a Relevant Electronic System shall not apply in relation to any shares which are to be so held or transferred and shall accordingly be construed as if such provision incorporates such amendment as may be necessary to make the same consistent with the Regulations.
- 10.8 Every certificate for shares or debentures shall be issued under the Seal or bear an imprint or representation of the Seal or such other form of authentication as the Board may determine provided that the Board may by resolution determine that such signature shall be dispensed with or shall be affixed by some method or system of mechanical signature.
- 10.9 Certificates for shares or debentures registered in an overseas branch register for use in a place in which the Company has an official seal may be issued under such seal or bearing an imprint or representation of such seal, in which event the certificates need not be signed or authenticated.
- 10.10 Subject to the provisions of these Articles, every member (other than a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled without payment to one certificate for all his shares of each class, or, upon payment of such reasonable sum as the Board shall determine for each additional certificate, to several certificates each for one or more of such shares: Provided that in the case of any share registered in the names of two or more persons the Company shall not be bound to issue more than one certificate in respect thereof to all the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery to all.

Where a member transfers part of the shares to which any certificate relates he shall be entitled to a certificate for the balance thereof without payment. Every certificate shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates and the amount paid up thereon.

- 10.11 Subject to the provisions of the Statutes, the Company shall within one month after the allotment of any of its shares or debentures, and within fourteen days after lodgment with the Company of any duly stamped and valid transfer of any of its shares or debentures, complete and have ready for delivery the certificates for the shares or the debentures so allotted or transferred, unless the conditions of issue of the shares or debentures otherwise provide or unless the shares or debentures are allotted or transferred as the case may be to a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange in respect of whom the Company is not by law required to complete and have ready for delivery a certificate.
- 10.12 If at any time all the issued shares of the Company, or all the issued shares of a particular class, are fully paid up and rank pari passu for all purposes, none of those shares shall thereafter (subject to any resolution of the Board to the contrary) have a distinguishing number so long as it remains fully paid up and ranks pari passu for all purposes with all shares of the same class for the time being issued and fully paid up.
- 10.13 If any certificate shall be worn out or defaced or shall be alleged to have been stolen, destroyed or lost, it may be renewed on such terms (if any) as to evidence and indemnity and payment of any exceptional out-of-pocket expenses incurred by the Company in connection with the matter as the Board may determine but otherwise free of charge, and (in the case of wearing out or defacement) on delivery up of the old certificate.

## **11 Variation of rights**

- 11.1 Subject to the provisions of the Statutes, the rights attached to any class of shares for the time being forming part of the capital of the Company may be varied or abrogated, either while the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holders of three-fourths of the issued shares of the class, or with the sanction of a special resolution passed at a separate meeting of holders of the shares of the class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or the proceedings thereat shall mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be one person holding or representing by proxy at least one-third in nominal value of the issued shares of the class, and at an adjourned meeting shall be one person holding shares of the class or his proxy, and that every holder of shares of the class present in person or by proxy shall, on a poll, have one vote in respect of every share of the class held by him and shall be entitled to demand a poll. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

- 11.2 The rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto.
- 11.3 The provisions of these Articles relating to general meetings of the Company or the proceedings thereat shall *mutatis mutandis* apply to any meeting of the holders of a class held otherwise than in connection with the variation or abrogation of the rights attached to shares of that class.

## **12 Alteration of capital**

- 12.1 The Company may by ordinary resolution:
- 12.1.1 consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
  - 12.1.2 sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares;
  - 12.1.3 determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; and
  - 12.1.4 where any difficulty arises in regard to any consolidation or division, the Directors may settle such difficulty as they see fit. In particular, without limitation, the Directors may sell to any person (including the Company) the shares representing the fractions for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion among those members or retain such net proceeds for the benefit of the Company and:
    - (a) in the case of shares in certificated form, the Directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
    - (b) in the case of shares in uncertificated form, the Directors may, to enable the Company to deal with the share in accordance with the provisions of this Article, require the operator of a Relevant Electronic System to convert the share into certificated form, and after such conversion, authorise any person to execute an instrument of transfer and/or take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer.
- 12.2 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.

### **13 Directors' power to allot**

- 13.1 Subject to the Statutes and article 13.2, these Articles and to any relevant authority of the Company in general meeting required by the Statutes, the Board may offer, allot (with or without conferring rights of renunciation), grant options over or otherwise deal with or dispose of shares or grant rights to subscribe for or convert any security into shares to such persons, at such times and upon such terms as the Board may decide. No share may be issued at a discount.
- 13.2 In accordance with section 551 of the 2006 Act, the Directors are generally and unconditionally authorised to exercise all of the powers of the Company to allot ZDP Shares up to an aggregate nominal amount of £1,200,000 for the purposes of the Issue, such authority to expire on 21 November 2017 save that the Company may before the expiry of such authority make an offer or enter into an agreement which would or might require ZDP Shares to be allotted after the expiry of such authority and the Directors are authorised to allot ZDP Shares in pursuance of such an offer or agreement if the authority had not expired.
- 13.3 The Board may, at any time after the allotment of any share but before any person has been entered in the Register, recognise a renunciation by the allottee in favour of some other person and accord to the allottee of a share a right to effect such renunciation and/or allow the rights to be represented to be one or more participating securities, in each case upon the subject to such terms and conditions as the Board may think fit to impose.

### **14 Calls on shares**

#### **14.1 Calls**

- 14.1.1 The Board may from time to time make such calls as the Board may think fit upon the members in respect of the amounts unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment made payable at fixed times.
- 14.1.2 Any call may be made payable either in one sum or by instalments, and each member upon whom a call is made shall be liable to pay the amount of the call to the person and at the time or times and place appointed by the Board. A call may be revoked in whole or part or the time fixed for its payment may be postponed by the Board. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
- 14.1.3 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

#### **14.2 Joint and several liability in respect of calls**

Joint holders of a share shall be jointly and severally liable for the payment of all calls in respect thereof.

#### **14.3 Power to differentiate**

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

#### **14.4 Sums treated as calls**

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

#### **14.5 Interest**

If any sum in respect of a call 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 the payment thereof to the time of actual payment, at such reasonable rate as the Board may determine, or failing such determination, at the rate of 10 per cent. per annum, and shall also pay all expenses that may have been incurred by the Company by reason of the non-payment of such sum, but the Board may waive payment of such interest and expenses in whole or in part.

#### **14.6 Payment of calls in advance**

The Board may, if it thinks fit, receive from any member willing to advance the same all or any part of the monies payable in respect of any shares held by him beyond the amount of the calls actually made thereon; and upon the monies so advanced, or so much thereof as shall from time to time exceed the amount of the calls due upon such shares, the Company may pay interest at such rate not exceeding 10 per cent. per annum as the member and the Board shall agree upon, but no part of such monies shall be included or taken into account in ascertaining the amount of the dividend payable upon the shares in respect of which such advance has been made.

### **15 Forfeiture**

#### **15.1 Notice if calls not paid and forfeiture**

15.1.1 If any member fails to pay the whole or any part of any call on or before the day appointed for the payment thereof the Board may, at any time thereafter during such time as the call or any part thereof remains unpaid, serve a notice on him requiring him to pay such call or such part thereof as remains unpaid, together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment.

15.1.2 The notice shall name a further day (not being less than fourteen 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 at or before the time and at the place appointed the shares in respect of which the call was made will be liable to be forfeited.



15.1.3 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the 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 Board to that effect. Such forfeiture shall include all dividends or other monies payable in respect of the forfeited shares and not actually paid before the forfeiture. The Board may accept a surrender of any share liable to be forfeited hereunder.

## 15.2 **Sale of forfeited shares**

A forfeited or surrendered share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board thinks fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Board thinks fit, but so that unless such share shall have been previously disposed of the Board shall cancel the same not later than three years from the date of forfeiture or surrender.

## 15.3 **Cessation of membership and continuing liability**

A person whose shares have been forfeited or surrendered shall cease to be a member in respect of such shares and in the case of shares in certificated form shall surrender to the Company for cancellation the certificate for the shares, but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture or surrender, were payable by him to the Company in respect of the shares with interest from the date of forfeiture or surrender until payment. The rate at which such interest shall be payable shall be the rate at which interest was payable on those monies before forfeiture or surrender or, if no interest was so payable, at such rate not exceeding 15 per cent. per annum as the Board shall determine. The Board may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal.

## 15.4 **Statutory declaration as to forfeiture**

A statutory declaration that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited or surrendered 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. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposition thereof and the Board may authorise some person to execute a transfer of the share or, in the case of a share for the time being in uncertificated form, authorise any person to transfer such share, in accordance with the facilities and requirements of the Relevant Electronic System concerned, in each case in favour of the person to whom the share is sold or otherwise disposed of and he shall thereupon 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 in reference to the forfeiture, surrender, sale, re-allotment or other disposal of the share.

## **16 Lien**

### **16.1 Company's lien on shares not fully paid**

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies, whether immediately payable or not, called or payable at a fixed time in respect of such share. The Company's lien (if any) on a share shall extend to all dividends and other monies payable thereon or in respect thereof. The Board may resolve that any share shall for some specified period be exempt from the provisions of this Article. Unless otherwise agreed, the registration of a transfer of any share shall operate as a waiver of the Company's lien (if any) on such share.

### **16.2 Enforcing lien by sale**

The Company may sell, in such manner as the Board thinks fit, any share on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is immediately payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such sum and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share, or to the person entitled to the share by reason of his death or bankruptcy or otherwise by operation of law.

### **16.3 Application of proceeds of sale and giving effect to sale**

The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of any sum immediately payable in respect of which the lien exists, and any residue shall (subject to a like lien in respect of any monies not immediately payable as exists on the share prior to the sale) (and in the case of shares in certificated form subject to surrender to the Company for cancellation of the certificate for the share sold) be paid to the person registered as holder of the share at the time of the sale. For giving effect to any such sale the Board may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share so transferred and shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale. A statutory declaration that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly sold pursuant to Article 15.2 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.

## **17 Transfer of shares**

### **17.1 Transfer of shares in certificated form**

Shares in the Company in certificated form shall be transferred by instrument of transfer in any usual or common form, or in such other form as shall be approved by the Board. The instrument of transfer of a share in certificated form (which may be under hand) shall be signed by or on behalf of the transferor: Provided that in the case of a partly paid share in certificated form the instrument of transfer must also be signed by or on behalf of the transferee.

## 17.2 **Transfer of shares in uncertificated form**

All transfers of shares in uncertificated form shall be made in accordance with and be subject to the Regulations and the facilities and requirements of the Relevant Electronic System concerned and, subject thereto, in accordance with any arrangements made by the Board pursuant to Article 10.2.

## 17.3 **Register**

In relation to all transfers of shares, the transferor shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the Register as the holder thereof.

## 17.4 **Refusal to register transfers**

17.4.1 The Board may, in its absolute discretion but giving reason(s) for a refusal to register shares together with, if required, such further information as the transferee may reasonably request, refuse to register a transfer of any share which is not fully paid up provided that, where any such shares are admitted to the Official List of the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

17.4.2 The Board may also refuse to recognise any instrument of transfer in respect of any share in certificated form unless:

(a) it is duly stamped, is deposited at the Office or such other place as the Board may appoint, and (except in the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange where a certificate has not been issued in respect of the shares) is accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(b) it is in respect of only one class of shares.

17.4.3 The Board may also refuse to register a transfer of any share (whether in certificated form or not and whether fully paid or not) to more than four persons to be held jointly by them.

17.4.4 The Board may also, subject to giving reason(s) together with, if required, such further information as the transferee may reasonably request, refuse to register a transfer of shares in uncertificated form in such other circumstances as may be permitted by the Regulations and the requirements of the Relevant Electronic System concerned provided that such restrictions do not prevent any dealing in the shares from taking place on an open and proper basis.

## 17.5 **Notice of refusal**

If the Board refuses to register a transfer of any share it shall within two months after the date on which the transfer was lodged with the Company or, in the case of

an uncertificated share, the date on which the appropriate instruction was received by or on behalf of the Company in accordance with the Regulations send to the transferee notice of the refusal.

**17.6 Retention of instrument of transfer**

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

**17.7 No fee for registration**

The Company shall not charge any fee in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, stop notice, order of court or other document or instruction relating to or affecting the title to any share.

**17.8 Recognition of renunciation**

Nothing in these Articles shall preclude the Board from recognising renunciation of any share by the allottee thereof in favour of some other person.

**17.9 Destruction of documents**

The Company shall be entitled to destroy all instruments of transfer of shares and all documents on the faith of which entries have been made in the Register at any time after the expiration of six years from the date of registration thereof, and all dividend mandates and notifications of change of name or address at any time after the expiration of two years from the date of the recording thereof, and all share certificates which have been cancelled at any time after the expiration of one year from the date of such cancellation, all proxy appointments which have been used for the purpose of a poll at any time after the expiration of one year from the date of use, all proxy appointments which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the proxy appointment relates and at which no poll was demanded, and it shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective document duly and properly cancelled and every other document mentioned above so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company: Provided that:

17.9.1 the previous provisions of this Article shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

17.9.2 nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any document earlier than as aforesaid or in any other circumstances in which liability would not attach to the Company in the absence of this Article; and

17.9.3 references in this Article to the destruction of any document include references to the disposal thereof in any manner.

## **18 Transmission of shares**

### **18.1 Transmission on death**

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

### **18.2 Election of person entitled by transmission**

18.2.1 Any person becoming entitled to a share in consequence of the death or bankruptcy of any member, or of any other event giving rise to its transmission by operation of law, may, upon such evidence of his title being produced as may reasonably be required by the Board (but subject to the provisions contained below), and (in the case of shares in uncertificated form) subject to compliance with such other procedures (consistent with the facilities and requirements of the Relevant Electronic System concerned) as the Board may determine elect either to be registered himself as the holder of the share or transfer such share to some other person.

18.2.2 If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to transfer the share in question to some other person he shall testify his election by in the case of a share in certificated form executing a transfer of the share or, in respect of a share in uncertificated form, by authorising any person to transfer such share, in accordance with the facilities and requirements of the Relevant Electronic System concerned, in each case to the person concerned. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or transfer were a transfer signed by that member.

### **18.3 Rights of person entitled by transmission**

A person entitled to a share in consequence of the death or bankruptcy of a member, or of any other event giving rise to its transmission by operation of law, shall, upon such evidence of his title being produced as may reasonably be required by the Board, be entitled to receive and may give a discharge for all dividends and other monies payable in respect of the share and shall have the same rights to which he would be entitled if he were the holder of the share, except that he shall not, before he is registered as the holder of the share, be entitled in respect of the share to attend or vote at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company: Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends or other monies

payable in respect of the share until the requirements of the notice have been complied with.

## **19 Untraced Shareholders**

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

19.1.1 the share has been in issue throughout a period of twelve years and at least three cash dividends have become payable on such share during such period;

19.1.2 no cash dividend payable on the share has at any time during the relevant period either been claimed by presentation to the paying bank of the relevant cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the member or person entitled by transmission;

19.1.3 the Company has on or after the expiry of the said period of twelve years given notice of its intention to sell such share by advertisement in both a national newspaper and in a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected in the manner authorised by these Articles is located;

19.1.4 the Company has not at any time during the relevant period received any communication from the member or person entitled by transmission; and

19.1.5 the Company has given notice in writing to the London Stock Exchange of its intention to sell such share.

19.2 For the purposes of this Article "**the relevant period**" means the period beginning at the commencement of the above period of twelve years and ending on the expiry of a period of three months following the date of publication of the advertisements referred to in Article 19.1.3 above or of the last of the two advertisements to be published if they are published on different dates.

19.3 If (a) during the relevant period any additional share has been issued in lieu of any share held at the beginning of the relevant period (or in lieu of any share so issued) ("**the original share**"), (b) all the requirements of Articles 19.1.2, 19.1.4 and 19.1.5 above have been satisfied in regard to any additional share and (c) any advertisement published pursuant to Article 19.1.3 in respect of the original share is expressed to apply to the additional share as well as the original share, the Company shall also be entitled to sell the additional share at the best price reasonably obtainable at the time of sale notwithstanding that the requirement of Article 19.1.1 above is not satisfied in regard to such additional share. For the avoidance of doubt references in Articles 19.1.2 and 19.1.4 to "**the relevant period**" and "**the said period of twelve years**" shall for this purpose refer to the relevant period and the period of twelve years applicable in respect of the original share.

19.4 To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said shares, or in the case of shares for the time being in uncertificated form to authorise in the name of the holder any

person to transfer such shares in accordance with the facilities and requirements of the Relevant Electronic System concerned, in each case to the purchaser, and such instrument of transfer or transfer (as the case may be) shall be as effective as if it had been executed or had been authorised by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The Company shall account to the former member or other person previously entitled as aforesaid 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 former member or other person. No interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Board may from time to time think fit.

- 19.5 In any case where the registered address of a member, or an address supplied for the purpose of dividend payments pursuant to Article 18.3 by a person (in this Article called a "**transmittee**") entitled to a share upon the death or bankruptcy of a member, or upon any other event giving rise to its transmission by operation of law, appears to the Board to be incorrect or out of date, such member or transmittee shall, if the Board so resolves, be treated for the purposes of these Articles as if he had no registered address, or, as the case may be, had failed to supply an address for the purpose of dividend payments pursuant to Article 18.3, provided that the Board shall not so resolve unless on at least two consecutive occasions dividend warrants sent to such member or transmittee through the post to his registered address or to the address supplied pursuant to Article 18.3 have been returned undelivered or have been left uncashed. A member or transmittee who has in accordance with the provisions of this Article been treated as having no registered address or address supplied pursuant to Article 18.3 shall nevertheless be entitled (subject to the provisions of these Articles) to reclaim the arrears of dividend and instruct the Company to recommence sending dividend warrants to him.

## 20 Disclosure of interests

- 20.1 If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under Section 793 of the 2006 Act and is in default for the prescribed period in supplying to the Company the information thereby required, then the Board may in its absolute discretion at any time thereafter serve a notice (a "**direction notice**") upon such member as follows:

20.1.1 a direction notice may direct that, in respect of:

- (a) the shares comprising the shareholding account in the Register which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "**default shares**"); and
- (b) any other shares held by the member;

the member shall not be entitled to vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by

proxy or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company; and

20.1.2 where the default shares represent at least 0.25 per cent. of the class of shares concerned, excluding any treasury shares, then the direction notice may additionally direct that:

- (a) in respect of the default shares, any dividend or part thereof or other money which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member and, in the circumstances where an offer of the right to elect to receive Ordinary Shares instead of cash in respect of any dividend is or has been made, any election made thereunder by such member in respect of such default shares shall not be effective;
- (b) no transfer other than an approved transfer of any of the shares held by such member shall be registered unless:
  - (i) the member is not himself in default as regards supplying the information requested; and
  - (ii) the transfer is of part only of the member's holding and when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Board to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

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

20.3 If shares are issued to a member as a result of that member holding other shares in the Company and if the shares in respect of which the new shares are issued are default shares in respect of which the member is for the time being subject to particular restrictions, the new shares shall on issue become subject to the same restrictions whilst held by that member as such default shares. For this purpose, shares which a company procures to be offered to members pro rata (or pro rata ignoring fractional entitlements and shares not offered to certain members by reason of legal or practical problems associated with offering shares outside the United Kingdom) shall be treated as shares issued as a result of a member holding other shares in the Company.

20.4 Any direction notice shall have effect in accordance with its terms for as long as the default, in respect of which the direction notice was issued, continues but shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer. As soon as practicable after the direction notice has ceased to have effect (and in any event within 7 days thereafter) the Board shall procure that the restrictions imposed by Articles 20.1 and 20.3 above shall be



removed and that dividends and other monies withheld pursuant to Article 20.1.2(a) above are paid to the relevant member.

20.5 For the purpose of this Article:

20.5.1 a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said Section 793 which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant Section 793 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;

20.5.2 the prescribed period in respect of any particular member is 28 days from the date of service of the said notice under Section 793 except where the default shares represent at least 0.25 per cent. of the class of shares concerned in which case such period shall be 14 days;

20.5.3 a transfer of shares is an approved transfer if but only if:

- (a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a take-over offer (within the meaning of Section 974 of the 2006 Act) in respect of shares in the Company; or
- (b) the Board is satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the member and with other persons appearing to be interested in such shares; or
- (c) the transfer results from a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or any stock exchange outside the United Kingdom on which the Company's shares are normally traded.

For the purposes of this Article any associate (as that term is defined in Section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the member or any person appearing to be interested in such shares.

20.6 Nothing contained in this Article shall limit the power of the Board under Section 793 of the 2006 Act or any other powers of the Company whatsoever.

## **21 General meetings**

21.1 The Company shall hold a general meeting as its annual general meeting in accordance with the requirements of the Statutes.

21.2 Any general meeting other than an annual general meeting shall be called a general meeting.

21.3 All general meetings shall be held at such time and place as the Board shall determine.

21.4 The Board may, whenever it thinks fit, convene a general meeting, and a general meeting shall also be convened upon any requisition made in accordance with the Statutes, or in default may be convened by such requisitionists as thereby provided. Any meeting convened by requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Board.

21.5 **Notice of general meetings**

21.5.1 In the case of the annual general meeting, twenty-one clear days' notice at the least shall be given to all the members and to the Auditors. All other general meetings shall also be convened by not less than twenty-one clear days' notice to all those members and to the Auditors unless the Company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than fourteen clear days has been passed in which case a general meeting may be convened by not less than fourteen clear days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business, and such notice shall be given in the manner mentioned below. Every notice of an annual general meeting shall specify the meeting as such and every notice of a meeting convened for passing a special resolution shall state the intention to propose such Resolution as a special resolution. Where the Company has given an electronic address in any notice of meeting, any document or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting.

21.5.2 A general meeting shall, notwithstanding that it is called by shorter notice than that specified in the last preceding Article, be deemed to have been duly called if it is so agreed by such number of members entitled or having a right to attend and vote thereat as is prescribed by the Statutes.

21.5.3 In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and to vote at a general meeting (including an annual general meeting) of the Company. Failure to comply with this Article does not affect the validity of the meeting or of anything done at the meeting.

21.5.4 Subject to the provisions of the Statutes, it shall be the duty of the Company, on the requisition in writing of such number of members as is specified in the Statutes and (unless the Company otherwise resolves) at the expense of the requisitionists:

- (a) to give to members entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
- (b) to circulate to members entitled to have notice of any general meeting sent to them any statement of not more than one

thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

- 21.5.5 Notice of any such resolution shall be given, and any such statement shall be circulated, to members of the Company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such member in any manner permitted for service of notice of meeting.
- 21.5.6 A notice of any general meeting may specify a time, being not more than forty-eight hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting. Changes made to entries on the Register after the time so specified shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 21.5.7 The accidental omission to give notice of any meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate any resolution passed or proceedings at any such meeting.
- 21.5.8 When by any provision contained in the Statutes special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight clear days (or such shorter period as the Statutes may allow) before the meeting at which it is moved, and the Company shall give to the members notice of any such resolution as required by and in accordance with the provisions of the Statutes.

## **22 Amendments to resolutions**

- 22.1 In the case of a resolution duly proposed as a special resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon. In the case of a resolution duly proposed as an ordinary resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon unless approved by the Board or notice of the amendment has been left at the Office not less than forty-eight hours before the time appointed for the holding of the meeting at which the ordinary resolution is to be considered.
- 22.2 With the consent of the chairman of the meeting, an amendment may be withdrawn by its proposer before it is voted on. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

## **23 Proceedings at general meetings**

### **23.1 Quorum**

No business shall be transacted at any general meeting unless a quorum is present. One person entitled to vote upon the business to be transacted, being a member or a

proxy for a member or a duly authorised representative of a corporation shall be a quorum.

### **23.2 Chairing general meetings**

The chairman of the Board (if any), or in his absence the deputy chairman of the Board (if any), shall preside as chairman at every general meeting, but if there is no such chairman or deputy chairman, or if neither of them is present within ten minutes after the time appointed for holding the meeting or if neither of them shall be willing to act as chairman, the Directors present shall choose one of their number to act as chairman of the meeting, and if there be no Director chosen who shall be willing to act, the members present and entitled to vote shall choose one of their own number to act as chairman at the meeting.

### **23.3 Procedure if quorum not present**

If within ten minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. If otherwise convened it shall stand adjourned to a day at least ten clear days after the date of the original meeting (or if that day be a public holiday, then to the next Business Day following such public holiday), at the same time and place or to such other day and at such other time and place as the Board may determine, and no notice of such adjournment need be given. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for the meeting, the meeting shall be dissolved.

### **23.4 Adjournments**

The chairman may, with the consent of the meeting, and if directed by the meeting shall, adjourn the meeting from time to time or sine die and from place to place. Where, in the opinion of the chairman, it is not practicable to conduct the business for which the meeting was called and it is not practicable to ascertain the views of the meeting on the question of an adjournment, the chairman may adjourn the meeting to such place and to such time as the chairman may reasonably determine. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Board. When a meeting is adjourned for thirty days or more or sine die, seven days' notice at the least of the adjourned meeting shall be given in like manner as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **23.5 Attendance and participation at different places and by electronic means**

23.5.1 The Board may resolve to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world or by means of electronic participation and the members present or by proxy at satellite meeting places or by means of electronic participation shall be counted in the quorum for and entitled to vote at the general meeting in question, and that meeting shall

be duly constituted and its proceedings valid provided that the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that members attending at all the meeting places or by means of electronic participation are able to:

- (a) participate in the business for which the meeting has been convened;
- (b) hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place or by means of electronic participation; and
- (c) be heard and seen by all other persons so present in the same way.

23.5.2 The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place.

23.5.3 The Board may from time to time make such arrangements for controlling the level of attendance at any such place as is mentioned in Article 23.5.1 (whether involving the issue of tickets or the imposition of some other means of selection or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a member who, pursuant to such arrangements, is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places; and the entitlement of any member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangement as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting.

23.5.4 If it appears to the chairman of the general meeting that the facilities at the principal meeting place or any satellite meeting place have become inadequate for the purposes referred to in Article 23.5.1, then the chairman may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of such adjournment shall be valid. The provisions of Article 23.4 shall apply to that adjourned meeting.

23.5.5 For the purposes of Article 23.5.1, the right for a member to participate in the business of any general meeting shall include, without limitation, the right to: speak; vote on any show of hands; demand a poll; vote on any poll; be represented by proxy; and have access to all documents which are required by the Statutes and these Articles to be made available at the meeting.

## 23.6 **Security arrangements and orderly conduct**

The Board and, at any general meeting, the chairman of the meeting may make any arrangement and impose any requirement or restriction it or he considers appropriate to ensure the security and orderly conduct of a general meeting

including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The Board is and, at any general meeting, the chairman is entitled to refuse entry to a person who refuses to comply with these arrangements, requirements or restrictions.

## **24 Polls**

### **24.1 Demand for a poll**

24.1.1 Every question submitted to a general meeting shall be determined in the first instance by a show of hands of the members present in person, but, subject to the provisions of the Statutes, a poll may be demanded (before or upon the declaration of the result of the show of hands) by the chairman or by:

- (a) not less than two members having the right to vote at the meeting; or
- (b) a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (c) a member or members holding shares 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.

24.1.2 Unless a poll is duly demanded in accordance with the foregoing provisions a declaration by the chairman that a resolution has been carried or lost or has or has not been carried by any particular majority, and an entry to that effect in the minutes of the proceedings of the Company, shall be conclusive evidence of the fact without proof of the number, proportion or validity of the votes recorded in favour of or against such resolution.

### **24.2 Objections and validity of votes**

If:

24.2.1 any objection is raised to the qualification of any voter, or

24.2.2 any votes are counted which ought not to have been counted or which might have been rejected, or

24.2.3 any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting on any resolution unless the same is raised or pointed out at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive. The Company shall not be bound to

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

#### **24.3 Polls to be taken as chairman directs**

If a poll is duly demanded it shall be taken in such manner as the chairman may direct (including the use of ballot or voting papers) and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. The chairman may appoint scrutineers for the purposes of a poll, and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

#### **24.4 When poll to be taken**

24.4.1 A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once. A poll demanded on any other question shall be taken either at once or at such time and place as the chairman directs, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded.

24.4.2 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 has been demanded.

#### **24.5 Withdrawal of demand for poll**

The demand for a poll may be withdrawn but only with the consent of the chairman 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.

#### **24.6 Notice of poll**

No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is given. In any other case, at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

### **25 Voting**

#### **25.1 Voting rights**

25.1.1 Subject to any rights or restrictions as to voting attached to any shares:

- (a) on a show of hands
  - (i) every member who is present in person has one vote,
  - (ii) every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote, except that if the proxy has been duly appointed by more than one member entitled to vote on the resolution and is instructed by one or more of those

members to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he has one vote for and one vote against the resolution, and

- (iii) every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to; and
- (iv) on a poll every member present in person or by duly appointed proxy or corporate representative has one vote for every share of which he is the holder or in respect of which his appointment as proxy or corporate representative has been made.

25.1.2 A member, proxy or corporate representative entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way.

## 25.2 **Corporate representatives**

Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

## 25.3 **Votes of joint holders**

Where there are joint holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto: Provided that if more than one of such joint holders be present at any meeting, personally or by proxy, one of the said persons so present in person or by proxy whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof.

## 25.4 **Votes on behalf of incapable member**

A member in respect of whom an order has been made by any competent court (whether in the United Kingdom or elsewhere) by reason of mental disorder may vote, whether on a show of hands or on a poll, by his receiver, or other person authorised in that behalf by that court, who may, on a poll, vote by proxy: Provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited or received at the Office (or at such other place within the United Kingdom as is specified for the deposit or receipt of appointments of proxy in accordance with these Articles) not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which such person claims to vote, and in default the right to vote shall not be exercisable.



## 25.5 **No right to vote where sums overdue**

No member shall, unless the Board otherwise determines, be entitled in respect of shares held by him to vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.

## 26 **Proxies**

### 26.1 **Appointment of proxies**

26.1.1 A member may appoint more than one proxy to attend on the same occasion and if he does so he shall specify the number of shares held by him in respect of which each proxy is entitled to exercise his rights. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share. A proxy need not be a member of the Company.

26.1.2 Unless the contrary is stated therein, the appointment of a proxy shall be valid for any adjournment of the meeting or meetings to which it relates, and for any poll arising from any such meeting or adjourned meeting.

26.1.3 The valid appointment of a proxy relating to more than one meeting (including any adjournment thereof), having once been so delivered for the purposes of any meeting, shall not have to be re-lodged or otherwise re-registered with the Company for the purposes of any subsequent meeting to which it relates.

26.1.4 The appointment of a proxy to vote at a meeting shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit and to confer the right to speak at a meeting.

26.1.5 When two or more valid but differing appointments of proxy are received in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its signature) shall be treated as replacing and revoking the others as regards that share and if the Company is unable to determine which was last received none of them shall be treated as valid in respect of that share.

### 26.2 **Form of proxy appointment**

26.2.1 A proxy shall only be appointed in one of the manners specified in this Article (as supplemented by the following Articles).

26.2.2 A proxy may be appointed by an instrument in writing in any usual or common form, or in any other form which the Board may approve, and:

- (a) in the case of an appointor who is a natural person shall be signed by the appointor or his agent lawfully authorised in writing; and

- (b) in the case of an appointor that is a corporation shall be either given under its common seal or signed on its behalf by an agent lawfully authorised in writing or by a duly authorised officer of the corporation.
- 26.2.3 The signature on such an instrument appointing a proxy need not be witnessed.
- 26.2.4 Such an instrument appointing a proxy must be left at such place in the United Kingdom as may be specified for the purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the commencement of the meeting or adjourned meeting (or in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting not less than twenty-four hours before the time appointed for the taking of the poll) at which it is to be used, and in default shall not be treated as valid. The Directors may specify in the notice convening the meeting that in determining the time for delivery of proxies pursuant to this Article, no account shall be taken of any part of a day that is not a working day (as defined in section 1173(1) of the 2006 Act).
- 26.2.5 Where an instrument appointing a proxy is signed on behalf of the appointor by an agent lawfully authorised in writing, the authority under which the agent is appointed or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy in the manner directed above, failing which the instrument may be treated as invalid.
- 26.2.6 A proxy may be appointed by electronic means to such address as may be notified by or on behalf of the Company for that purpose, or by any other lawful means from time to time authorised by the Board. Any means of appointing a proxy which is authorised by or under this paragraph shall be subject to any terms, limitations, conditions or restrictions that the Board may from time to time prescribe.
- 26.2.7 An appointment of a proxy by electronic means where an address has been specified for the purpose of receiving appointments by electronic means:
  - (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

must be received at such address not less than forty-eight hours before the time appointed for the commencement of the meeting or adjourned meeting (or, in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll) at which it is to be used, and in

default shall not be treated as valid. The Directors may specify in the notice convening the meeting that in determining the time for delivery of proxies pursuant to this Article, no account shall be taken of any part of a day that is not a working day (as defined in section 1173(1) of the 2006 Act).

26.2.8 Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the Board may from time to time permit appointments of a proxy to be made by electronic means or by means of a website in the form of an Uncertificated Proxy Instruction (that is, a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of the Relevant Electronic System concerned and received by such participant in such Relevant Electronic System acting on behalf of the Company as the Board may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Board (subject always to the facilities and requirements of the Relevant Electronic System concerned)); and may in a similar manner permit supplements to, or amendments or revocations of, any such Uncertificated Proxy Instruction to be made by like means. The Board may in addition prescribe the method of determining the time at which any such properly authenticated dematerialised instruction (and/or other instruction or notification) is to be treated as received by the Company or such participant. The Board may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

### **26.3 Availability of appointments of proxy**

26.3.1 The Board shall at the expense of the Company send or make available invitations to appoint a proxy to the members by post, by electronic means or otherwise (with or without provision for their return prepaid) for use at any general meeting or any separate meeting (including any annual general meeting) of the holders of any class of shares.

26.3.2 Such invitations to appoint a proxy shall be issued to all the members entitled to be sent a notice of the meeting and to vote thereat by proxy, and not to some only of such members.

26.3.3 The accidental omission to send or make available such an invitation to or the non-receipt thereof by any member entitled to attend and vote at a meeting, shall not invalidate any resolution passed or proceedings at that meeting.

### **26.4 Termination of appointment of proxy**

A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of such determination was received by the Company at the Office (or at such other place within the United Kingdom as is specified for the deposit of appointment of proxy 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.

## **27 Directors**

### **27.1 Number of Directors**

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

### **27.2 No shareholding qualification**

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

### **27.3 Directors entitled to attend and speak**

A Director shall, notwithstanding that he may not be a member of the Company, be entitled to attend and speak at general meetings or separate meetings of the holders of any class of shares.

### **27.4 Alternate Directors**

Any Director may at any time appoint any other Director or any other person approved by the Board to be his alternate, and may at any time remove any such alternate and (subject to such approval as aforesaid) appoint another in his place. An alternate shall not be entitled to receive any remuneration from the Company, nor to appoint an alternate, nor shall it be necessary for him to acquire or hold any share qualification but he shall be entitled (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) to receive notice of meetings of the Board and of any committee of the Board of which his appointor is a member and to attend and vote as a Director at any meeting at which his appointor is not present, and generally at such meeting to exercise all the powers, rights, duties and authorities of his appointor. An alternate shall be entitled at such a meeting to one vote for every Director whom he represents (and who is not present) in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present. An alternate may be removed from office by a resolution of the Board, shall vacate his office on the happening of any event which, if he were a Director, would cause him to vacate his office as a Director and shall ipso facto cease to be an alternate if his appointor ceases for any reason to be a Director: Provided that if any Director retires at a general meeting but is re-elected by the meeting or is, pursuant to the provisions of these Articles, deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after such re-election as if he had not so retired. Every person acting as an alternate shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for his appointor. An alternate may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a Director. All appointments and

removals made in pursuance of this Article shall be in writing under the hand of the appointor or in any other manner approved by the Board and shall be sent to or left at the Office.

## **28 Directors' remuneration, expenses, gratuities and benefits**

### **28.1 Directors' remuneration**

28.1.1 No remuneration shall be payable by the Company to any Director who is also a director of the Parent or a director of any company in the Group.

28.1.2 Until otherwise determined by the Company by ordinary resolution, there shall be paid to the Directors (other than alternate directors and directors who are also directors of the Parent or any company in the Group) such fees for their services in the office of director as the Directors may determine, not exceeding £200,000 per annum or such larger amount as the Company may by ordinary resolution decide, divided between the Directors as they may determine. Such remuneration shall be deemed to accrue from day to day.

28.1.3 If any Director, being willing and having been called upon to do so, shall render or perform extra or special services of any kind, including services on any committee of the Board, or shall travel or reside abroad for any business or purposes of the Company, he shall be entitled to receive such sum as the Board may think fit for expenses, and also such remuneration as the Board may think fit, either as a fixed sum or as a percentage of profits or otherwise, and such remuneration may, as the Board shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive.

### **28.2 Expenses**

The Directors shall be entitled to be paid all expenses properly incurred by them in attending general meetings or separate meetings of the holders of any class of shares or meetings of the Board or committees of the Board or otherwise in or with a view to the performance of their duties.

### **28.3 Directors' gratuities and benefits**

The Board on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director or former Director who has held any salaried office or place of profit with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or any such subsidiary or to any member of his family (including a spouse and a former spouse) or to any person who is or was dependent on him and may (as well before as after he ceases to hold such office or place of profit) make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance and may make payments for or towards the provision by means of insurance or otherwise of benefits for any such person.

## **29 Termination of a Director's appointment**

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

- 29.1 if (not being an executive director holding office for a fixed term) he resigns his office by notice in writing delivered to the Office or submitted to a meeting of the Board or (being an executive director holding office for a fixed term) his resignation in writing is accepted by the Board;
- 29.2 either:
  - 29.2.1 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months; or
  - 29.2.2 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 29.3 if, without leave, he is absent from meetings of the Board (whether or not any alternate Director appointed by him attends) for six consecutive months, and the Board resolves that his office is vacated;
- 29.4 if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- 29.5 if he is removed from office pursuant to these Articles or by virtue of any provision of the Statutes or prohibited by law from being a Director;
- 29.6 if, being an executive director, he ceases to be the holder of executive office; or
- 29.7 if all the other Directors unanimously resolve that he be removed as a Director.

## **30 Directors' interests**

- 30.1 Provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director, notwithstanding his office:
  - 30.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and
  - 30.1.2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested;

and (i) he 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 body corporate, (ii) he shall not infringe his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company as a result of any such office or employment or any such transaction or arrangement or any interest in any such body corporate, (iii) he shall not be required

to disclose to the Company, or use in performing his duties as a Director of the Company, any confidential information relating to such office or employment if to make such a disclosure or use would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with such office or employment, (iv) he may absent himself from discussions, whether in meetings of the Directors or otherwise, and exclude himself from information, which will or may relate to such office, employment, transaction, arrangement or interest, and (v) no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

30.2 For the purposes of this Article:

30.2.1 a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;

30.2.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his;

30.2.3 a Director shall be deemed to have disclosed the nature and extent of an interest which consists of him being a director, officer or employee of any parent or subsidiary undertaking of the Company;

30.2.4 a Director need not disclose an interest if it cannot be reasonably regarded as likely to give rise to a conflict of interest; and

30.2.5 a Director need not disclose an interest if, or to the extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware).

30.3 The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law:

30.3.1 any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties); and

30.3.2 a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and, without prejudice to the generality of Article 30.3.1, may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises;

provided that the authorisation is effective only if (i) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the

director in question or any other interested director, and (ii) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

30.4 If a matter, or office, employment or position, has been authorised by the Directors in accordance with this Article then (subject to such terms and conditions, if any, as the Directors may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation or the permissions set out below):

30.4.1 the Director shall not be required to disclose to the Company, or use in performing his duties as a Director of the Company, any confidential information relating to such matter, or such office, employment or position if to make such a disclosure or use would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;

30.4.2 the Director may absent himself from discussions, whether in meetings of the Directors or otherwise, and exclude himself from information, which will or may relate to that matter, or that office, employment or position; and

30.4.3 a Director shall not, by reason of his office as a Director of the Company, be accountable to the Company for any benefit which he derives from any such matter, or from any such office, employment or position.

## **31 Powers of the Board**

### **31.1 General powers of the Company vested in the Directors**

The business of the Company shall be managed by the Board, who may exercise all such powers of the Company and do on behalf of the Company all such acts as are within the scope of the Articles and as are not, by the Statutes or by these Articles, required to be exercised or done by the Company in general meeting, subject, nevertheless, to the provisions of the Statutes and to these Articles and to such directions (whether or not consistent with these Articles) as may be prescribed by the Company by special resolution, but so that no such direction and no alteration to these Articles shall invalidate any prior act of the Board which would have been valid if that direction or alteration had not been given or made.

### **31.2 Delegation to persons or committees**

31.2.1 Subject to the provisions of these Articles, the Directors may delegate any of the powers which are conferred on them under the Articles:

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions;

as they think fit.



- 31.2.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 31.2.3 The Directors may revoke any delegation in whole or in part, or alter its terms and conditions.
- 31.2.4 The power to delegate under this Article includes power to delegate the determination of any fee, remuneration or other benefit which may be paid or provided to any Director.
- 31.2.5 Subject to Article 31.2.6, the proceedings of any committee appointed under Article 31.2.1(a) with one or more director members shall be governed by such of these Articles as regulate the proceedings of Directors so far as they are capable of applying.
- 31.2.6 The Directors may make rules regulating the proceedings of such committees, which shall prevail over any rules derived from these Articles pursuant to Article 31.2.5 if, and to the extent that, they are not consistent with them.

## **32 Retirement and appointment of Directors**

### **32.1 Retirement by rotation**

- 32.1.1 At every annual general meeting, there shall retire from office any Director who shall have been a Director at each of the two preceding annual general meetings and who was not appointed or re-elected by the Company in general meeting at, or since, either such annual general meeting. A retiring Director shall be eligible for re-election. A Director retiring at a meeting shall, if he is not re-elected at such meeting, retain office until the conclusion of the meeting or adjourned meeting at which he is due to retire.
- 32.1.2 Where a Director is a non-executive director and has been in office for nine years or more he shall retire from office at every annual general meeting.

### **32.2 Filling of vacancy**

The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto. If at any such meeting the place of a retiring Director is not filled, the retiring Director shall, if willing to act, be deemed to have been re-elected, unless at such meeting it is resolved not to fill such vacated office, or unless a motion for the re-election of such Director shall have been put to the meeting and lost.

### **32.3 Procedure for appointment or reappointment at a general meeting**

No person, not being a Director retiring at the meeting or a person recommended by the Board, shall be eligible for election as a Director at any general meeting unless not less than seven nor more than forty-two days before the day appointed for the meeting there has been delivered to the Office notice in writing signed by a member (not being the person to be proposed) duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for

election, and also notice in writing signed by the person to be proposed of his willingness to be elected.

#### **32.4 Power of Company to appoint a Director**

Without prejudice to the next following Article, the Company may from time to time by ordinary resolution appoint any person to be a Director, either to fill a casual vacancy or as an addition to the Board.

#### **32.5 Power of Directors to appoint a Director**

The Board shall have power at any time, and from time to time, to appoint any person as a Director, either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall retire at the next annual general meeting but shall then be eligible for re-election.

#### **32.6 Resolutions to appoint Directors**

Except so far as the Statutes otherwise allow, at a general meeting the appointment of Directors shall be voted on individually.

#### **32.7 Register of Directors and Secretary**

The Company shall keep at the Office a register containing such particulars with respect to the Directors and Secretary of the Company as are required by, and shall from time to time notify the Company's Registrars of any change in such register and of the date of such change in manner prescribed by, the Statutes.

### **33 Removal of Directors**

The Company may by special resolution, or by ordinary resolution of which special notice has been given in accordance with the Statutes, remove any Director before the expiration of his period of office as Director (including an executive director but without prejudice to any claim he may have for damages for breach of any contract between him and the Company) and may by ordinary resolution appoint another person to be a Director in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed a Director.

### **34 Executive Directors**

The Directors may appoint one or more of their number to the office of managing director or to any other executive office of the Company and any such appointment may be made for such term, at such remuneration and on such other conditions as the Directors think fit. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim for damages for breach of the contract of service between the Director and the Company.

## **35 Proceedings of the Board**

### **35.1 Procedures regarding board meetings**

35.1.1 The Board may meet for the despatch of business, adjourn, and otherwise regulate its meetings and proceedings as it thinks fit and determine the quorum necessary for the transaction of business. Until otherwise determined two Directors shall be a quorum. A person who holds office only as an alternate shall if his appointor is not present be counted in the quorum. A Director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote (or when his vote cannot be counted) but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under these Articles vested in or exercisable by the Directors generally. Questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting shall (unless he is not entitled to vote on the resolution in question) have a second or casting vote. Members of the Board or of any committee thereof may participate in a meeting of the Board or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in a meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such 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 is then present.

35.1.2 The continuing Directors may act notwithstanding any vacancy in their number: Provided that if the Directors shall at any time be reduced in number to less than the number fixed as the quorum, it shall be lawful for the continuing Director or Directors to act for the purpose of filling vacancies or summoning a general meeting, but not for any other purpose.

### **35.2 Notice of Board meetings**

A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Board. It shall not be necessary to give notice of a meeting of the Board to any Director for the time being absent from the United Kingdom. Notice of a meeting of the Board may be given in any manner, including in writing or facsimile transmission or electronic means or by telephone or otherwise orally. A Director may waive notice of any meeting and any such waiver may be retroactive.

### **35.3 Permitted interests and voting**

35.3.1 Subject to the provisions of these Articles, a Director shall not vote at a meeting of the Directors on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company), unless his interest arises only because the case falls within one or more of the following Articles:

- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Company or any of its subsidiary undertakings;
- (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (c) the resolution relates to the giving to him of any other indemnity which is on substantially the same terms as indemnities given or to be given to all of the other Directors and/or to the funding by the Company of his expenditure on defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other directors have been given or are to be given substantially the same arrangements;
- (d) the resolution relates to the purchase or maintenance for any director or directors of insurance against any liability;
- (e) his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares in or debentures or other securities of the Company for subscription, purchase or exchange;
- (f) the resolution relates to an arrangement for the benefit of the employees and Directors and/or former employees and former Directors of the Company or any of its subsidiary undertakings, and/or the members of their families (including a spouse or civil partner or a former spouse or former civil partner) or any person who is or was dependent on such persons, including but without being limited to a retirement benefits scheme and an employees' share scheme, which does not accord to any Director any privilege or advantage not generally accorded to the employees and/or former employees to whom the arrangement relates; or
- (g) the resolution relates to a transaction or arrangement with any other company in which he is interested, directly or indirectly (whether as director or shareholder or otherwise) provided that he is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of that company and not entitled to exercise 1 per cent. or more of the voting rights available to members of the relevant company (and for the purpose of calculating the said percentage there shall be disregarded (i) any shares held by the Director as a bare or custodian trustee and in which he has no beneficial interest, (ii) any shares comprised in any authorised unit trust scheme in which the Director is interested

only as a unit holder, and (iii) any shares of that class held as treasury shares).

35.3.2 Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately and (provided he is not by virtue of Article 35.3.1(g), or otherwise under that paragraph, or for any other reason, precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

#### **35.4 Suspension or relaxation of prohibition on voting**

The Company may by ordinary resolution suspend or relax to any extent, in respect of any particular matter, any provision of these Articles prohibiting a Director from voting at a meeting of the Directors or of a committee of the Directors.

#### **35.5 Questions regarding Directors' rights to vote**

If a question arises at a meeting of the Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting (or, if the Director concerned is the chairman, to the other Directors at the meeting) and his ruling in relation to any Director other than himself (or, as the case may be, the ruling of the majority of the other Directors in relation to the chairman) shall be final and conclusive.

#### **35.6 Election of chairman and deputy chairman**

The Board may from time to time elect a chairman and deputy chairman of the Board and determine the period for which they are respectively to hold office. The chairman so elected, or in his absence the deputy chairman, shall preside at all meetings of the Board, but if no such chairman or deputy chairman be elected, or if at any meeting the chairman or deputy chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to act as chairman of the meeting.

#### **35.7 Resolutions in writing**

A resolution signed by all the Directors for the time being entitled to receive notice of a meeting of the Board (and who would be entitled to vote and whose vote would have been counted) shall be as valid and effectual as a resolution passed at a meeting of the Board duly convened and held, and may consist of several documents in like form each signed by one or more Directors and may be in any form, including facsimile transmission or electronic means. A resolution signed by an alternate need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate, it need not be signed by the alternate in that capacity. The date of the resolution shall be the date when the resolution is signed by the last member of the Board.

## 35.8 Authentication of documents

- 35.8.1 Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee of the Board 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 the person appointed by the Board as aforesaid.
- 35.8.2 A document purporting to be a copy of a resolution or an extract from the minutes of a meeting of the Board or of a committee of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Board or of the committee.

## 36 Minutes and records

- 36.1 The Board shall cause minutes to be entered in books kept for the purpose:
- 36.1.1 of all appointments of officers made by the Board; and
- 36.1.2 of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the Board, and of committees of the Board including the names of the Directors present at each such meeting.
- 36.2 Minutes shall be retained for at least ten years from the date of the appointment or meeting and shall be kept available for inspection in accordance with the 2006 Act.

## 37 Appointment of Secretary

Subject to the provisions of the Statutes, the Secretary shall be appointed by the Board on such terms and for such period as it thinks fit. Any Secretary so appointed may at any time be removed from office by the Board but without prejudice to any claim for damages for breach of any contract between him and the Company.

## 38 The Seal

- 38.1 The Board shall provide for the safe custody of the Seal which shall only be used by the general or special authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject to the provisions of these Articles as to certificates for shares or debentures, the Directors may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a person appointed by the Board for that purpose in the presence of a witness who attests the signature and who shall be designated "**Authorised Sealing Officer**".

38.2 Subject to the Statutes, the Company may dispense with the need for the Seal, either generally or in respect of particular classes of documents, at the Board's discretion, and, whether it does or does not dispense with the Seal, a document signed by a Director and the Secretary, any two Directors or by a Director in the presence of a witness who attests the signature and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if executed under the Seal, and a document so executed by the Company which makes it clear on its face that it is intended to be a deed shall have effect upon delivery as a deed.

38.3 **Official seal for use abroad**

The Company or the Board on behalf of the Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and with regard to the keeping of an overseas branch register in any place.

**39 Reserves**

39.1 The Board shall establish a reserve to be called the "**Capital Reserve**" and shall either carry to the credit of such reserve from time to time all capital appreciations arising on the sale, transposition, payment off, or re-valuation of any investments or other capital assets of the Company in excess of the book value thereof or apply the same in providing for depreciation or contingencies. Any losses realised on the sale, revaluation or payment off of any investments or other capital assets may be carried to the debit of the Capital Reserve, except in so far as the Directors may in their discretion decide to make good the same out of other funds of the Company. All sums carried and standing to the Capital Reserve may be applied for any of the purposes to which sums standing to any reserve under the provisions of the next succeeding Article are applicable.

39.2 The Board may, before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company which would otherwise be available for dividend (including any premiums received upon the issue of debentures or other securities of the Company) such sums as they think proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

**40 Dividends**

40.1 **Declaration of dividends by the Company**

40.1.1 The profits of the Company available for dividend in accordance with the provisions of the Statutes and determined to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company may by ordinary resolution declare dividends accordingly.

40.1.2 No dividend shall be payable except out of the profits of the Company or except in accordance with the provisions of the Statutes or in excess of the amount recommended by the Board.

**40.2 Payment according to amount paid up**

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the shares; all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date such share shall rank for dividend accordingly. Dividends may be declared or paid in any currency.

**40.3 Payment of interim dividends**

If and so far as in the opinion of the Board the profits of the Company (excluding any profits which under the provisions of these Articles ought to be carried to the credit of the Capital Reserve or applied in providing for depreciation or contingencies) justify such payments, the Board 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 the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

**40.4 Deduction from dividends**

40.5 The Board may deduct from any dividend or other monies payable to any member on or in respect of a share all sums of money (if any) immediately payable by him to the Company on account of calls in relation to the shares of the Company held by him.

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

**40.7 Unclaimed dividends**

All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and so that the Company shall not thereby be constituted a trustee in respect thereof. If any dividend shall have remained unclaimed for at least twelve years after the same became payable the Board may forfeit the same, and after such forfeiture no member or other person shall have any right to or claim in respect of such dividend.



#### 40.8 **No interest on dividends**

No dividend shall bear interest against the Company.

#### 40.9 **Joint holders**

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 or otherwise by operation of law, any one of them may give effectual receipts for any dividend or other monies payable or property distributable on or in respect of the shares.

#### 40.10 **Dividend payment procedure**

Any dividend or other monies payable in cash on or in respect of a share or debenture or other security may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or debenture or other security or entitled thereto in consequence of the death or bankruptcy of the holder or otherwise by operation of law, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Where such dividend or other monies are to be paid by cheque or warrant, every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder or otherwise by operation of law may direct. Any such dividend or other monies may also be paid by such other method (including, without limitation, direct debit, bank or other funds transfer system or transfer by any electronic media) as the Board may in its absolute discretion think fit (subject always, in the case of shares or securities in uncertificated form, to the facilities and requirements of the Relevant Electronic System concerned where payment is to be made by means of such Relevant Electronic System) to or through such person as the holder or person entitled may in writing direct. Every such cheque or warrant so sent or payment so made shall be sent or made at the risk of the holder or person entitled. Payment of a cheque or warrant by the bank on which it was drawn, the transfer of the funds by the bank instructed to make the same or the making of payment otherwise in accordance with this Article shall be a good discharge to the Company. The Company shall have no responsibility for any sums lost or delayed in the course of payment by a method selected by the Board pursuant to this Article, or where it has acted on any directions given by the holder or person entitled.

#### 40.11 **Non-cash distribution**

Any general meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways, and the Board shall give effect to such resolution, and where any difficulty arises in regard to the distribution it may settle the same as it thinks expedient, and in particular may disregard in whole or in part or round up or down any fractional entitlements and may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in

order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Board.

#### **41 Scrip dividends**

The Board may, if authorised by an ordinary resolution of the Company, offer any holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution. The following provisions shall apply:

- 41.1 An ordinary resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period, but such period may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which the ordinary resolution is passed: Provided nevertheless that the Board may in its absolute discretion suspend or terminate (whether temporarily or otherwise) such right to elect and may do such things and acts as may be considered necessary or expedient with regard to, or in order to effect, any such suspension or termination.
- 41.2 The entitlement of each holder of Ordinary Shares to new Ordinary Shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forego.
- 41.3 The basis of allotment shall be such that no member may receive a fraction of a share. The Board may make such provisions as it thinks fit for any fractional entitlements, including without limitation provisions whereby, in whole or in part, the benefit thereof accrues to the Company and/or fractional entitlements are accrued and/or retained and in either case accumulated on behalf of any holder of Ordinary Shares.
- 41.4 On or as soon as practicable after announcing that it is to declare or recommend any dividend, the Board, if it intends to offer an election in respect of that dividend, shall also announce that intention, and shall, after determining the basis of allotment, if it decides to proceed with the offer, notify the holders of Ordinary Shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which, elections must be lodged in order to be effective. The Board may also from time to time establish or vary a procedure for election mandates, under which a holder of Ordinary Shares may elect in respect of future rights of election to be offered to the holder under this Article until the election mandate is revoked in accordance with this procedure.
- 41.5 Any offer to holders of Ordinary Shares may be subject to such exclusions or restrictions as the Board may, in its absolute discretion, deem 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.
- 41.6 On each occasion the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect

of which an election has been made and has not been revoked (the "**elected Ordinary Shares**"). Instead, Ordinary Shares shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment calculated as stated. For such purpose the Board shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on that occasion on that basis and apply it in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to the holders of the elected Ordinary Shares on that basis. A resolution of the Board capitalising any part of any reserve or fund pursuant to this Article shall have the same effect as if such capitalisation had been sanctioned by an ordinary resolution in accordance with Article 42.1.

- 41.7 The additional Ordinary Shares when allotted shall rank *pari passu* in all respects with the fully-paid Ordinary Shares then in issue except that they will not be entitled to participation in the relevant dividend (or share election in lieu).

## **42 Capitalisation of Reserves**

- 42.1 In addition to the provisions of Article 41.6, the Board may at any time, subject as hereinafter provided, capitalise any part of the undivided profits of the Company (whether or not the same are available for distribution) or any part of any sum for the time being standing to the credit of any of the Company's reserve accounts (including Capital Reserve, share premium account and capital redemption reserve) and may appropriate the profits or sum so capitalised as capital to the members in the proportion in which such profits or sum would have been divisible amongst them had the same been applied or been applicable in paying dividends on the shares held by them on such date as shall be fixed by the Board and to apply such profits or sum on their behalf, either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by them respectively, or in the paying up in full of unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, such shares or debentures to be allotted and distributed credited as fully paid up to and among such members in the proportion aforesaid, or partly in one way and partly in the other: Provided always that the Capital Reserve, the share premium account and the capital redemption reserve and any profits which are not available for distribution may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to members as fully paid.
- 42.2 On any such capitalisation the Board shall make all appropriations and applications of the undivided profits or sum resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto, with full power to make such provision (including provision whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company instead of to the members otherwise entitled) as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled as the result of such capitalisation, and any agreement made under such authority shall be effective and binding upon all such members.

## **43 Notices and other communications**

### **43.1 Requirements for writing**

Any notice to be given to or by any person pursuant to these Articles shall be in writing other than a notice calling a meeting of the Directors which need not be in writing.

### **43.2 Methods of sending or supplying**

43.2.1 Any notice, document or information may (without prejudice to Articles 43.5.1 and 43.7.1) be sent or supplied by the Company to any member either:

- (a) personally; or
- (b) by sending it by post in a prepaid envelope addressed to the member at his registered address or postal address given pursuant to Article 43.2.4, or by leaving it at that address; or
- (c) by sending it in electronic form to a person who has agreed (generally or specifically) that the notice, document or information may be sent or supplied in that form (and has not revoked that agreement); or
- (d) by making it available on a website, provided that the requirements in Article 43.2.2 and the provisions of the 2006 Act are satisfied.

43.2.2 The requirements referred to in Article 43.2.1(d) are that:

- (a) the member has agreed (generally or specifically) that the notice, document or information may be sent or supplied to him by being made available on a website (and has not revoked that agreement), or the member has been asked by the Company to agree that the Company may send or supply notices, documents and information generally, or the notice, document or information in question, to him by making it available on a website and the Company has not received a response within the period of 28 days beginning on the date on which the Company's request was sent and the member is therefore taken to have so agreed (and has not revoked that agreement);
- (b) the member is sent a notification of the presence of the notice, document or information on a website, the address of that website, the place on that website where it may be accessed, and how it may be accessed ("**notification of availability**");
- (c) in the case of a notice of meeting, the notification of availability states that it concerns a notice of a company meeting, specifies the place, time and date of the meeting, and states whether it will be an annual general meeting; and

- (d) the notice, document or information continues to be published on that website, in the case of a notice of meeting, throughout the period beginning with the date of the notification of availability and ending with the conclusion of the meeting and in all other cases throughout the period specified by any applicable provision of the 2006 Act, or, if no such period is specified, throughout the period of 28 days beginning with the date on which the notification of availability is sent to the member, save that if the notice, document or information is made available for part only of that period then failure to make it available throughout that period shall be disregarded where such failure is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

43.2.3 In the case of joint holders of a share:

- (a) it shall be sufficient for all notices, documents and other information to be sent or supplied to the joint holder whose name stands first in the Register in respect of the joint holding (the "**first named holder**") only; and
- (b) the agreement of the first named holder that notices, documents and information may be sent or supplied in electronic form or by being made available on a website shall be binding on all the joint holders.

43.2.4 A member whose registered address is not within the United Kingdom shall not be entitled to receive any notice, document or information from the Company unless he gives to the Company an address (not being an electronic address) within the United Kingdom at which notices, documents or information may be sent or supplied to him.

43.2.5 For the avoidance of doubt, the provisions of this Article are subject to Article 21.5.7

43.2.6 The Company may at any time and at its sole discretion choose to send or supply notices, documents and information only in hard copy form to some or all members.

43.3 **Deemed receipt of notice**

A member present either in person or by proxy at any meeting of the Company or of the holders of any class of shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

43.4 **Notice by reference to Register**

43.4.1 Any notice to be given to a member may be given by reference to the Register as it stands at any time within the period of 21 days before the notice is given, and no change in the Register after that time shall invalidate the giving of the notice.

43.4.2 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the Register, has been given to the person from whom he derives his title; but this paragraph does not apply to a notice given under section 793 of the 2006 Act.

#### 43.5 **Notice when post not available**

43.5.1 Where, by reason of any suspension or curtailment of postal services, the Company is unable effectively to give notice of a general meeting, the Board may decide that the only persons to whom notice of the affected general meeting must be sent are the Directors, the Auditors, those members to whom notice to convene the general meeting can validly be sent by electronic means and those members to whom notification as to the availability of the notice of meeting on a website can validly be sent by electronic means. In any such case the Company shall also:

- (a) advertise the general meeting in at least two national daily newspapers published in the United Kingdom; and
- (b) send or supply a confirmatory copy of the notice to members in the same manner as it sends or supplies notices under Article 43.2.1 if at least seven clear days before the meeting the posting of notices again becomes practicable.

#### 43.6 **Other notices and communications advertised in national newspaper**

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

#### 43.7 **When notice or other communication deemed to have been received**

43.7.1 Any notice, document or information sent or supplied by the Company to the members or any of them:

- (a) by post, shall be deemed to have been received twenty-four hours after the time at which the envelope containing the notice, document or information was posted unless it was sent by second class post, or there is only one class of post, or it was sent by air mail to an address outside the United Kingdom, in which case it shall be deemed to have been received forty-eight hours after it was posted. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that the notice, document or information was sent;
- (b) by being left at a member's registered address or postal address given pursuant to Article 43.2.4, shall be deemed to have been received on the day it was left;
- (c) by electronic means, shall be deemed to have been received twenty-four hours after it was sent. Proof that a notice, document

or information in electronic form was addressed to the electronic address provided by the member for the purpose of receiving communications from the Company shall be conclusive evidence that the notice, document or information was sent;

- (d) by making it available on a website, shall be deemed to have been received on the date on which notification of availability on the website is deemed to have been received in accordance with this Article or, if later, the date on which it is first made available on the website;
- (e) by means of a Relevant Electronic System, shall be deemed to have been received twenty-four hours after the Company or any sponsoring system-participant acting on the Company's behalf, sends the issuer-instruction relating to the notice, document or information; or
- (f) by advertisement, shall be deemed to have been received on the day on which the advertisement appears.

#### **43.8 Communications sent or supplied to persons entitled by transmission**

Any notice, document or information may be sent or supplied by the Company to the person entitled to a share in consequence of the death or bankruptcy of a member by sending or supplying it in any manner authorised by these Articles for the sending or supply of notice to a member addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or by any like description, at the address, if any, within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice may be sent or supplied in any manner in which it might have been given if the death or bankruptcy had not occurred.

#### **43.9 Power to stop sending communications to untraced members**

If on three consecutive occasions notices, documents or information sent or supplied to a member have been returned undelivered, the member shall not be entitled to receive any subsequent notice, document or information until he has supplied to the Company (or its agent) a new registered address, or a postal address within the United Kingdom, or (without prejudice to Article 43.2.4) shall have informed the Company, in such manner as may be specified by the Company, of an electronic address. For the purposes of this Article, references to notices, documents or information include references to a cheque or other instrument of payment, but nothing in this Article shall entitle the Company to cease sending any cheque or other instrument of payment for any dividend, unless it is otherwise so entitled under these Articles.

#### **43.10 Validation of documents in electronic form**

43.10.1 Where a document is required under these Articles to be signed by a member or any other person, if the document is in electronic form, then in order to be valid the document must either:

- (a) incorporate the electronic signature, or personal identification details (which may be details previously allocated by the Company), of that member or other person, in such form as the Directors may approve; or
- (b) be accompanied by such other evidence as the Directors may require in order to be satisfied that the document is genuine.

43.10.2 The Company may designate mechanisms for validating any such document and a document not validated by the use of any such mechanisms shall be deemed as having not been received by the Company. In the case of any document or information relating to a meeting, an instrument of proxy or invitation to appoint a proxy, any validation requirements shall be specified in the relevant notice of meeting.

#### **44 Record date**

Notwithstanding any other provision of these Articles but subject always to the Statutes and the rules of the London Stock Exchange the Company or the Board may by resolution specify any date (the "**record date**") as the date at the close of business (or such other time as the Board may determine) on which persons registered as the holders of shares or other securities shall be entitled to the receipt of any dividend, distribution, interest, allotment or issue or other entitlement, and such record date may be on or at any time before or after the date on which the same is paid or made but without prejudice to the rights inter se in respect of the same of transferors and transferees of any such shares or other securities.

#### **45 Inspection of accounts**

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

#### **46 Winding-up**

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

#### **47 Indemnity**

47.1 Subject to the provisions of, and so far as is permitted by and consistent with the Statutes, every Director, secretary or other officer of the Company may be



indemnified out of the assets of the Company against (a) any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated body (as defined in Section 256 of the 2006 Act) (an "**Associated Company**") other than (i) any liability to the Company or any Associated Company and (ii) any liability of the kind referred to in Sections 234(3) or (6) of the 2006 Act; and (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office. Where a Director, Secretary or other officer of the Company is indemnified against any liability in accordance with this Article, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto.

- 47.2 To the extent permitted by the law the Directors may arrange insurance cover at the cost of the Company in respect of any liability, loss or expenditure incurred by any Director, the Secretary, or other officer or auditor of the Company in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as Director, Secretary, officer or auditor.
- 47.3 Subject to the provisions of, and so far as is permitted by and consistent with the Statutes, the Company (i) may provide a Director, Secretary or other officer of the Company with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with any application under the provisions mentioned in Section 205(5) of the 2006 Act and (ii) may do anything to enable a Director, the Secretary or other officer of the Company to avoid incurring such expenditure, but so that the terms set out in Section 205(2) to (4) of the 2006 Act shall apply to any such provision of funds or other things done.

#### **48 Change of name**

The Board may resolve to change the name of the Company.

#### **49 Duration of the Company**

- 49.1 The Company shall have a fixed life and shall be placed into voluntary liquidation following a general meeting on 10 April 2019 convened for the purposes of passing a winding-up resolution, such a resolution being a special resolution either at that general meeting or any other general meeting for the purposes of considering winding up the Company (a "**Winding-Up Resolution**").
- 49.2 The vote on any Winding-Up Resolution shall be taken on a poll. Each shareholder voting against the Winding-Up Resolution shall have one vote per share. Each shareholder voting for the Winding-Up Resolution shall have such total number of votes for each share held by them that the aggregate number of votes cast in favour of the Winding-Up Resolution is four times the number of votes cast against the Winding-Up Resolution.
- 49.3 In addition to the foregoing, in the event of a change of control of the Parent, the Directors shall, within 20 days of such change of control, convene a general meeting of ZDP Shareholders at which they shall propose a special resolution (the "**Continuation Resolution**") that the Company continue in existence. At the same time as convening that meeting, the Directors shall: (i) convene a general meeting of

the Company at which only Ordinary Shareholders shall be entitled to vote and shall propose an ordinary resolution (the "**Ordinary Resolution**") that the Company continue in existence; and (ii) convene a general meeting of the Company and shall propose a Winding-Up Resolution which shall be conditional on both the Continuation Resolution and the Ordinary Resolution not being passed. For the purposes of this Article, a change of control shall be deemed to occur where a person or any person acting in concert with it (as such term is defined in the Takeover Code) becomes interested in and exercises voting control over shares representing 50 per cent. or more of the issued ordinary share capital of the Parent (the "**Controller**"). The votes attached to any ZDP Shares owned or controlled by the Controller or any person acting in concert with the Controller shall be disregarded for the purposes of determining whether the Continuation Resolution has been passed.

- 49.4 The Directors shall also convene a general meeting of ZDP Shareholders at which they shall propose a Continuation Resolution (but not, for the avoidance of doubt, an Ordinary Resolution) if an event of default occurs under the Loan Note or in the event of a breach of the Contribution Agreement, in each case within 20 days of such default or breach or, if later, the date by which it may be remedied in accordance with Loan Note and/or Contribution Agreement has expired. At the same time as convening that meeting, the Directors shall propose a Winding-Up Resolution, conditional on the Continuation Resolution not being passed.