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A PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

PRUDENTIAL PUBLIC LIMITED COMPANY

(adopted by special resolution passed on 9 May 2002 and amended by special ~~resolution~~resolutions passed on 8 May 2003 and 6 May 2004 and further amended by special resolution passed on 65 May ~~2004~~2005)

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PRELIMINARY

**Table A** 1. The regulations in Table A as in force at the date of the incorporation of the Company shall not apply to the Company.

**Definitions** 2. In these Articles, except where the subject or context otherwise requires:

*Act* means the Companies Act 1985 including any modification or re-enactment of it for the time being in force;

*address*, in relation to electronic communications, includes any number or address used for the purposes of such communications;

*Articles* means these articles of association as altered from time to time by special resolution;

*auditors* means the auditors of the Company;

*the board* means the directors or any of them acting as the board of directors of the Company;

*certificated share* means a share in the capital of the Company that is not an uncertificated share and references in these Articles to a share being held in certificated form shall be construed accordingly;

**clear days** in relation to the sending of a notice means the period excluding the day on which a notice is sent or deemed to be sent and the day for which it is sent or on which it is to take effect;

**Companies Acts** has the meaning given by section 744 of the Act and includes any enactment passed after those Acts which may, by virtue of that or any other such enactment, be cited together with those Acts as the "Companies Acts" (with or without the addition of an indication of the date of any such enactment);

**Company** means Prudential public limited company;

**director** means a director of the Company;

**electronic signature** has the meaning given by section 7(2) of the Electronic Communications Act 2000;

**employees' share scheme** has the meaning given by section 743 of the Act;

**entitled by transmission** means, in relation to a share in the capital of the Company, entitled as a consequence of the death or bankruptcy of the holder or otherwise by operation of law;

**holder** in relation to a share in the capital of the Company means the member whose name is entered in the register as the holder of that share;

**member** means a member of the Company;

**Memorandum** means the memorandum of association of the Company as amended from time to time;

**office** means the registered office of the Company;

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

**recognised person** means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, each of which terms has the meaning given to it by section 185(4D) of the Act;

**register** means either or both of the issuer register of members and the Operator register of members of the Company;

**Regulations** means the Uncertificated Securities Regulations 2001 including any modification or re-enactment of them for the time being in force;

**seal** means the common seal of the Company and includes any official seal kept by the Company by virtue of section 39 or 40 of the Act;

**secretary** means the secretary of the Company and includes a joint, assistant, deputy or temporary secretary and any other person appointed to perform the duties of the secretary;

**subsidiary undertaking** shall be construed in accordance with section 258 of the Act;

**uncertificated share** means (subject to Regulation 42(11)(a) of the Regulations) a share in the capital of the Company title to which is recorded on the Operator register of members of the Company and which may, by virtue of the Regulations, be transferred by means of a relevant system and references in these articles to a share being held in uncertificated form shall be construed accordingly; and

**United Kingdom** means Great Britain and Northern Ireland.

**Construction**

3. References to a **document** include, unless the context otherwise requires, references to an electronic communication.

References to an **electronic communication** mean, unless the contrary is stated, an electronic communication (as defined in the Act) comprising writing.

References to a document being **executed** include references to its being executed under hand or under seal or, in the case of an electronic communication, by electronic signature.

References to an **instrument** mean, unless the contrary is stated, a written document having tangible form and not comprised in an electronic communication (as defined in the Act).

Where, in relation to a share, these Articles refer to a **relevant system**, the reference is to the relevant system in which that share is a participating security at the relevant time.

References to a notice or other document being **sent** or **given** to or by a person mean such notice or other document, or a copy of such notice or other document, being sent, given, delivered, issued or made available to or by, or served on or by, or deposited with or by that person by any method authorised by these Articles, and **sending** and **giving** shall be construed accordingly.

References to **writing** mean the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether comprised in an electronic communication (as defined in the Act) or otherwise, and **written** shall be construed accordingly.

Words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender; and words denoting persons include corporations.

Words or expressions contained in these Articles which are not defined in Article 2 but are defined in the Act have the same meaning as in the Act unless inconsistent with the subject or context.

Words or expressions contained in these Articles which are not defined in Article 2 but are defined in the Regulations have the same meaning as in the Regulations unless inconsistent with the subject or context.

Subject to the preceding two paragraphs, references to any provision of any enactment or of any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) include any modification or re-enactment of that provision for the time being in force.

Headings and marginal notes are inserted for convenience only and do not affect the construction of these Articles.

In these Articles, (a) powers of delegation shall not be restrictively construed but the widest interpretation shall be given to them; (b) the word **board** in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more directors, any director holding executive office and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated; (c) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and (d) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

#### SHARE CAPITAL

4. The share capital of the Company at the date of adoption of this article is £170,000,000 divided into 3,000,000,000 ordinary shares of 5p each, and 2,000,000,000 Sterling Preference Shares of 1p each (“**Sterling Preference Shares**”) and US \$20,000,000 divided into Dollar Preference Shares of US \$0.01 each (“**Dollar Preference Shares**”) and €20,000,000 divided into Euro Preference Shares of € 0.01 each (“**Euro Preference Shares**” and together with the Sterling Preference Shares and the Dollar Preference Shares, the “**Preference Shares**”). Subject to the special rights attached to the Preference Shares and to any special rights which are or may be attached to any other class of shares (i) the profits of the Company available for dividend and resolved to be distributed shall be distributed by way of dividend amongst the holders of the Ordinary Shares and (ii) on a winding up or liquidation, voluntary or otherwise, the residue, if any, of the surplus assets of the Company available for distribution amongst the members shall belong to the holders of the Ordinary Shares and be divided amongst them in proportion to the amounts paid up or credited as paid up on such shares held by them respectively. The Preference Shares may be issued in one or more series with such rights or subject to such restrictions as the board may determine and as provided below:

**(A) Dividend rights of the Preference Shares**

The rights to dividends conferred by each series of each class of Preference Shares shall be determined by the board prior to the date on which such shares are allotted.

**(B) Capital rights of the Preference Shares**

The rights to a return of capital or to share in the surplus assets of the Company available for distribution amongst the members on a winding up or liquidation

conferred by each series of each class of Preference Shares shall be determined by the board prior to the date on which such shares are allotted.

**(C) *Rights of the Preference Shares to attend and vote at Meetings***

The rights of the holders of each series of each class of Preference Shares to attend at General Meetings of the Company, to speak at such General Meetings or vote on any Resolution proposed at such General Meetings shall be determined by the board prior to the date on which such shares are allotted.

**(D) *Redemption***

- (i) Unless the board shall, prior to the allotment of any series of any class of Preference Shares, determine that such series shall be non-redeemable, each series of each class of Preference Shares shall, subject to the provisions of the Act, be redeemable at the option of the Company in accordance with the following provisions.
- (ii) In the case of any series of any class of Preference Shares which are to be so redeemable:
  - (a) the Company may redeem on any Redemption Date (as hereinafter defined) all or some only of the Preference Shares of such series by giving to the holders of the Preference Shares to be redeemed not less than 30 nor more than 60 days' prior notice in writing (a "**Notice of Redemption**") of the relevant Redemption Date. "**Redemption Date**" means, in relation to any series of any class of Preference Shares, any date which either (i) falls no earlier than such date (if any) as may be fixed by the board, prior to allotment of such Preference Shares, as being the earliest date on which the Company may redeem such shares, and the date so fixed shall be no earlier than five years and one day, and no later than one hundred years and one day, after the relevant date of allotment (the "**Allotment Date**"), or (ii) if no date is fixed by the board under (i) above in relation to such Preference Shares, falls no earlier than five years and one day after the date of allotment of such Preference Shares Provided that:
    - (I) the board may determine prior to the Allotment Date that a Redemption Date must fall on such date or dates as may be fixed by the board prior to allotment; and
    - (II) if at the date of allotment of any series of Preference Shares it is lawful to do so, the board may, prior to the allotment of that series of Preference Shares, fix the date on or by which, or dates between which, such share is to be or may be redeemed and such date or dates fixed by the board may be in place of or in addition to any date

derived from or fixed under the foregoing provisions of this sub-paragraph (a);

(b) there shall be paid on each Preference Share so redeemed, in the currency in which such Preference Share is denominated (the “**Relevant Currency**”), the aggregate of the nominal amount thereof together with any premium paid on issue (such aggregate being the “**Subscription Amount**”) ~~together with the~~ and if so determined by the board prior to the Allotment Date a Relevant Redemption Premium (as defined below) (if any) and if so determined by the board prior to the Allotment Date, arrears (if any) of dividends thereon (whether earned or declared or not) in respect of the period from the dividend payment date last preceding the Redemption Date to the Redemption Date; “**Relevant Redemption Premium**” means an amount calculated in accordance with that one of the following paragraphs as may be determined by the board prior to the Allotment Date:

(A) such amount as when added to the aggregate of the Subscription Amount of the Preference Share to be redeemed and any premium paid on issue is equal to a price for such Preference Share at which the Gross Redemption Yield on such Preference Share on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Reference Time on that date of the Reference Security; For this purpose:

“**Gross Redemption Yield**” means a yield calculated on the basis indicated by the Joint Index and Classification Committee of the Institute and Faculty of Actuaries as reported in the Journal of the Institute of Actuaries, Vol. 105, Part 1, 1978, page 18 or any replacement basis of calculation published by the Institute of Actuaries from time to time;

“**Reference Date**” means the date three business days prior to the date on which the Notice of Redemption is given;

“**Reference Time**” means, if the Preference Share to be redeemed is a Sterling Preference Share, 11:00 a.m. London time, if the Preference Share to be redeemed is a Dollar Preference Share, 3:00 p.m. London time, if the Preference Share to be redeemed is a Euro Preference Share, 10:00 a.m. London time;

“**Reference Security**” means the Relevant Government Security which is due to be repaid on a date closest to the final date for redemption of the Preference Share to be redeemed, or, if the Preference Share to be redeemed has no final date for redemption which is due to be repaid on a date closest to thirty years from the Reference Date; and

“**Relevant Government Security**” means if the Preference Share to be redeemed is a Sterling Preference Share, UK Gilt-Edged Security, if the Preference Share to be redeemed is a Dollar Preference Share, US Treasury note and if the Preference Share to be redeemed is a Euro Preference Share, Bundesrepublik Deutschland Bund,

- (B) an amount calculated in accordance with the following formula:

$$P = 50\% - (n \times R)$$

where:

P = the Redemption Premium expressed as a percentage of the Subscription Amount;

n = the number of whole years elapsed between the Allotment Date and the Redemption Date;

R = whichever of the following shall have been determined by the board prior to the Allotment Date:  
10%; 5%; 3%; 2.5%; 2%; 1%; 0.5%;

Provided that if  $n \times R$  is greater than 50%, P shall be nil;

- (C) an amount calculated in accordance with the following formula:

$$P = 33\% - (n \times R)$$

Where

P = the Redemption Premium expressed as a percentage of the Subscription Amount;

n = the number of whole years elapsed between the Allotment Date and the Redemption Date;

R = whichever of the following shall have been determined by the board prior to the Allotment Date:  
11%; 5.5%; 3.3%; 3%; 1.5%; 1%; 0.33%;

Provided that if  $n \times R$  is greater than 33%, P shall be nil;

- (D) an amount calculated in accordance with the following formula:

$$P = 25\% - (n \times R)$$

Where

P = the Redemption Premium expressed as a percentage of the Subscription Amount;

n = the number of whole years elapsed between the Allotment Date and the Redemption Date;

R = whichever of the following shall have been determined by the board prior to the Allotment Date:  
12.5%; 5%; 2.5%; 1%; 0.25%;

Provided that if  $n \times R$  is greater than 25%, P shall be nil;

- (E) an amount calculated in accordance with the following formula:

$$i = 0 \\ \sum_{i = i_m} (IR - MRR) \times \frac{1}{(1 + RR_i \times f)^{t_i}}$$

$i_m$  = total number of Dividend Payment Dates from the Redemption Date to the Final Redemption Date;

IR = the amount of dividend payable annually on the Preference Share to be redeemed excluding any associated tax credit expressed as a percentage of the Subscription Amount of such Preference Share;

MRR = the yield on the Reference Security for the period from the Redemption Date to the Final Redemption Date plus the difference between IR and the yield on the Reference Security at the Allotment Date (such difference being the "**credit spread**");

$RR_i$  = the yield on the Reference Security for the period to the  $i^{\text{th}}$  Dividend Payment Date plus the credit spread;

$t_i$  = time in years from the Redemption Date to the  $i^{\text{th}}$  Dividend Payment Date;

$$f = \frac{1}{\text{number of interest payments per year on the Reference Security.}}$$

For this purpose "Reference Security" has the meaning given in sub-paragraph (A) above;

- (F) an amount calculated in accordance with the following formula:

$$\sum_{i=0}^{i=i_m} (IR - RR_i) \times \frac{1}{(1 + RR_i \times f)^{t_i}}$$

$i_m$  = total number of Dividend Payment Dates from the Redemption Date to the Final Redemption Date;

IR = the amount of dividend payable annually on the Preference Share to be redeemed excluding any associated tax credit expressed as a percentage of the Subscription Amount of such Preference Share;

$RR_i$  = the yield on the Reference Security for the period to the  $i^{\text{th}}$  Dividend Payment Date plus the credit spread;

$t_i$  = time in years from the Redemption Date to the  $i^{\text{th}}$  Dividend Payment Date;

$$f = \frac{1}{\text{number of interest payments per year on the Reference Security.}}$$

For this purpose "Reference Security" has the meaning given in sub-paragraph (A) above,

- (c) in the case of a redemption of some only of the Preference Shares in any series, the Company shall for the purpose of determining the particular Preference Shares to be redeemed cause a drawing to be made at the office or such other place as the board may approve in the presence of the Auditors for the time being of the Company;
- (d) any Notice of Redemption given under subparagraph (ii)(a) above shall specify the applicable Redemption Date, the particular Preference Shares to be redeemed and the redemption price (specifying if so determined by the board prior to the Allotment Date the amount of the accrued and unpaid dividend per share to be included therein and stating that dividends on the Preference Shares to be redeemed will cease to accrue on

redemption), and shall state the place or places at which documents of title in respect of such Preference Shares are to be presented and surrendered for redemption and payment of the redemption monies is to be effected. Upon such Redemption Date, the Company shall redeem the particular Preference Shares to be redeemed on that date subject to the provisions of this paragraph and of the Act. No defect in the Notice of Redemption or in the giving thereof shall affect the validity of the redemption proceedings;

- (e) the provisions of this sub-paragraph shall have effect in relation to Preference Shares for the time being issued and registered in the Register of Members ("**Registered Shares**") and represented by certificates ("**Certificates**"). Payments in respect of the amount due on redemption of a Registered Share shall be made by cheque in the Payment Currency drawn on a bank in the Place of Payment or upon the request of the holder or joint holders not later than the date specified for the purpose in the Notice of Redemption by transfer to an account in the Payment Currency maintained by the payee with a bank in the Place of Payment. Such payment will be against presentation and surrender of the relative Certificate at the place or one of the places specified in the Notice of Redemption and if any Certificate so surrendered includes any Preference Shares not to be redeemed on the relevant Redemption Date the Company shall within 14 days thereafter issue to the holder, free of charge, a fresh Certificate in respect of such Preference Shares. All payments in respect of redemption monies will in all respects be subject to any applicable fiscal or other laws; For these purposes "Payment Currency" means, in relation to any class of Preference Shares, the currency in which such Preference Shares are denominated, and "Place of Payment" means, in relation to Sterling Preference Shares or Euro Preference Shares, London and, in relation to Dollar Preference Shares, London or the City of New York;
- (f) the provisions of this sub-paragraph shall have effect in relation to Preference Shares which, in accordance with Article 6 of these presents, are for the time being issued and represented by a warrant (as set out in the said Article 6) ("**Bearer Shares**"). Payments in respect of the amount due on redemption of a Bearer Share shall be made by cheque in the Payment Currency drawn on a bank in the Place of Payment or upon the request of the holder or joint holders not later than the date specified for the purpose in the Notice of Redemption by transfer to an account in the Payment Currency maintained by the payee with a bank in the Place of Payment, Such payments will be made against presentation and surrender of the warrant and all unmatured dividend coupons and talons (if any) at the place or the places specified in the Notice of Redemption. Upon the relevant

Redemption Date all unmatured dividend coupons and any talon for additional dividend coupons appertaining thereto (whether or not returned) shall become void and no payment will be made in respect thereof. If the warrant so surrendered represents any Preference Shares not to be redeemed on the relevant Redemption Date the Company shall issue, free of charge, a fresh warrant representing such Bearer Shares which are not to be redeemed on such Redemption Date;

- (g) all payments in respect of redemption monies will in all respects be subject to any applicable fiscal or other laws;
- (h) as from the relevant Redemption Date the dividend on the Preference Shares due for redemption shall cease to accrue except on any such Preference Share in respect of which, upon the due surrender of the Certificate in accordance with sub-paragraph (e) above or, as the case may be, the warrant and all unmatured dividend coupons and talons (if any) in respect thereof, in accordance with sub-paragraph (f) above, payment of the redemption monies due on such Redemption Date shall be improperly withheld or refused, in which case such dividend, at the rate then applicable, shall be deemed to have continued and shall accordingly continue to accrue from the relevant Redemption Date to the date of payment of such redemption monies. Such Preference Share shall not be treated as having been redeemed until the redemption monies in question together with the accrued dividend thereon shall have been paid;
- (i) if the due date for the payment of the redemption monies on any Preference Share is not a Payment Business Day then payment of such monies will be made on the next succeeding day which is a Payment Business Day and without any interest or other payment in respect of such delay unless such day shall fall within the next calendar month whereupon such payment will be made on the preceding Payment Business Day; for these purposes "Payment Business Day" means, in relation to Sterling Preference Shares, a day on which banks in London are open for business and on which foreign exchange dealings may be conducted in London (a "Sterling Business Day"), in relation to Dollar Preference Shares, a day on which banks in London and the City of New York are open for business and on which foreign exchange dealings may be conducted in such cities (a "Dollar Business Day") and, in relation to Euro Preference Shares, a day on which TARGET is operating and banks in London are open for business and on which foreign exchange dealings may be conducted in London (a "Euro Business Day");
- (j) the receipt of the holder for the time being of any Registered Share (or in the case of joint holders the receipt of any one of

them) and the receipt of the person delivering any Warrant to the place or one of the places specified pursuant to sub-paragraph (f) above, in respect of the monies payable on redemption on such Registered Share shall constitute an absolute discharge to the Company; and

(k) subject as aftermentioned, the provisions of sub-paragraph (e) above shall have effect in relation to Registered Shares which are in uncertificated form within the meaning of the Regulations in the same manner as they have effect in relation to Registered Shares represented by Certificates, save that (i) any provision of the said paragraphs requiring presentation and surrender of a Certificate shall be satisfied in the manner prescribed or permitted by the Regulations or (subject to those Regulations) in such manner as may from time to time be prescribed by the board), and (ii) the Company shall not be under any obligation to issue a fresh Certificate under sub-paragraph (e);

(iii) upon the redemption of any Preference Share the nominal amount of such shares comprised in the capital of the Company shall thereafter be reclassified as a Preference Share (of the same class as the Preference Share so redeemed) without any further resolution or consent being required.

***(E) Purchase***

- (i) Subject to the provisions of the Act and any other applicable laws, the Company may at any time and from time to time purchase any Preference Shares upon such terms as the board shall determine
- (ii) Upon the purchase of any Preference Share the nominal amount of such share comprised in the capital of the Company shall thereafter be reclassified as a Preference Share (of the same class as the Preference Share so purchased) without any further resolution or consent being required.

***(F) Restriction on capitalisation***

If so determined by the board prior to the Date of Allotment of any series of Preference Shares, save with the written consent of the holders of three-quarters in nominal value of, or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of such series of Preference Shares, the board shall not, pursuant to Article ~~190~~,189, capitalise any part of the amounts available for distribution and referred to therein if after such capitalisation the aggregate of such amounts would be less than such multiple, if any, as may be determined by the board prior to the Date of Allotment of such series of Preference Shares, of the aggregate amount of the dividends (exclusive of any associated tax credit) payable in the twelve month period following such capitalisation on the Preference Shares of such series then in issue and any other

New Preference Shares then in issue expressed to rank pari passu therewith as regards participation in profits.

**(G) Priority**

- (a) Except as may be determined otherwise by the board prior to the Date of Allotment of any series of any class of Preference Shares, save with the written consent of the holders of three-quarters in nominal value of, or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of, such series of such class of Preference Shares, the board shall not authorise or create, or increase the amount of, any shares of any class or any security convertible into shares of any class ranking as regards rights to participate in the profits or assets of the Company (other than on a redemption or purchase by the Company of any such shares) in priority to such series of such class of Preference Shares;
- (b) The special rights attached to any series of any class of Preference Shares allotted or in issue shall not (unless otherwise provided by their terms of issue) be deemed to be varied by the creation or issue of any New Shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu with or after such Preference Shares. Any New Shares ranking pari passu with such Preference Shares in some or all respects may without their creation or issue being deemed to vary the special rights attached to any Preference Share then in issue either carrying rights identical in all respects with such Preference Shares or any of them or rights differing therefrom in any respect, including, but without prejudice to the generality of the foregoing, in that:
  - (i) the rate of or means of calculating the dividend may differ and the dividend may be cumulative or non-cumulative;
  - (ii) the New Shares or any series thereof may rank for dividend as from such date as may be provided by the terms of issue thereof and the dates for payment of dividend may differ;
  - (iii) the New Shares may be denominated in Sterling or in any Foreign Currency;
  - (iv) a premium may be payable on return of capital or there may be no such premium;
  - (v) the New Shares may be redeemable at the option of the holder or of the Company, or may be non-redeemable and if redeemable at the option of the Company, they may be redeemable at different dates and on different terms from those applying to the Preference Shares; and

- (vi) the New Shares may be convertible into Ordinary Shares or any other class of shares ranking as regards participation in the profits and assets of the Company pari passu with or after such Preference Shares in each case on such terms and conditions as may be prescribed by the terms of issue thereof.

**Shares with special rights**

5. Subject to the provisions of the Companies Acts and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions whether with regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the board shall determine.

**Share warrants to bearer**

6. The board may issue share warrants to bearer in respect of any fully paid shares under a seal of the Company or in any other manner authorised by the board. Any share while represented by such a warrant shall be transferable by delivery of the warrant relating to it. In any case in which a warrant is so issued, the board may provide for the payment of dividends or other moneys on the shares represented by the warrant by coupons or otherwise. The board may decide, either generally or in any particular case or cases, that any signature on a warrant may be applied by electronic or mechanical means or printed on it or that the warrant need not be signed by any person.

**Conditions of issue of share warrants**

7. The board may determine, and from time to time vary, the conditions on which share warrants to bearer shall be issued and, in particular, the conditions on which:

- (a) a new warrant or coupon shall be issued in place of one worn-out, defaced, lost or destroyed (but no new warrant shall be issued unless the Company is satisfied beyond reasonable doubt that the original has been destroyed); or
- (b) the bearer shall be entitled to attend and vote at general meetings; or
- (c) a warrant may be surrendered and the name of the bearer entered in the register in respect of the shares specified in the warrant.

The bearer of such a warrant shall be subject to the conditions for the time being in force in relation to the warrant, whether made before or after the issue of the warrant. Subject to those conditions and to the provisions of the Companies Acts, the bearer shall be deemed to be a member of the Company and shall have the same rights and privileges as he would have if his name had been included in the register as the holder of the shares comprised in the warrant.

**No right in relation to share**

8. The Company shall not be bound by or be compelled in any way to recognise any right in respect of the share represented by a share warrant other than the bearer's absolute right to the warrant.

**Uncertificated shares**

9. Subject to the provisions of the Regulations, the board may permit the holding of shares in any class of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security.

Not separate class of shares

10. Shares in the capital of the Company that fall within a certain class shall not form a separate class of shares from other shares in that class because any share in that class:

- (a) is held in uncertificated form; or
- (b) is permitted in accordance with the Regulations to become a participating security.

Exercise of Company's entitlements in respect of uncertificated share

11. Where any class of shares is a participating security and the Company is entitled under any provision of the Companies Acts, the Regulations or these Articles to sell, transfer or otherwise dispose of, forfeit, re-allot, accept the surrender of or otherwise enforce a lien over a share held in uncertificated form, the Company shall be entitled, subject to the provisions of the Companies Acts, the Regulations, these Articles and the facilities and requirements of the relevant system:

- (a) to require the holder of that uncertificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company;
- (b) to require the holder of that uncertificated share by notice to give any instructions necessary to transfer title to that share by means of the relevant system within the period specified in the notice;
- (c) to require the holder of that uncertificated share by notice to appoint any person to take any step, including without limitation the giving of any instructions by means of the relevant system, necessary to transfer that share within the period specified in the notice;
- (d) to require the Operator to convert that uncertificated share into certificated form in accordance with Regulation 32(2)(c) of the Regulations; and
- (e) to take any action that the board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of that share.

Section 80 authority

12. The board has general and unconditional authority to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the section 80 amount, for each prescribed period.

Section 89 disapplication

13. The board is empowered for each prescribed period to allot equity securities for cash pursuant to the authority conferred by Article 12 [and/or to sell relevant shares where such sale is to be treated as an allotment of equity securities by virtue of section 94\(3A\) of the Act \(a "deemed allotment"\)](#) as if section 89(1) of the Act did not apply to any such allotment, provided that its power shall be limited to:

- (a) the allotment of equity securities in connection with a pre-emptive issue; and

- (b) the allotment (otherwise than pursuant to Article 13(a)) or deemed allotment of equity securities up to an aggregate nominal amount equal to the section 89 amount.

Allotment after expiry

14. Before the expiry of a prescribed period the Company may make an offer or agreement which would or might require equity securities or other relevant securities to be allotted after such expiry. The board may allot equity securities or other relevant securities in pursuance of that offer or agreement as if the prescribed period during which that offer or agreement was made had not expired.

Definitions

15. In this Article and Articles 12, 13 and 14:

**prescribed period** means any period for which the authority conferred by Article 12 is given by ordinary or special resolution stating the section 80 amount and/or the power conferred by Article 13 is given by special resolution stating the section 89 amount;

**pre-emptive issue** means an offer of equity securities to ordinary shareholders (excluding any shareholder holding shares as treasury shares) or an invitation to ordinary shareholders (excluding any shareholder holding shares as treasury shares) to apply to subscribe for equity securities and, if in accordance with their rights the board so determines, holders of other equity securities of any class (excluding any shareholder holding shares as treasury shares) (whether by way of rights issue, open offer or otherwise) where the equity securities respectively attributable to the interests of ordinary shareholders (excluding any shareholder holding shares as treasury shares) or holders of other equity securities (excluding any shareholder holding shares as treasury shares), if applicable are proportionate (as nearly as practicable) to the respective numbers of ordinary shares or other equity securities, as the case may be held by them, but subject to such exclusions or other arrangements as the board may deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems under the laws or regulations of any overseas territory or the requirements of any regulatory body or stock exchange;

**section 80 amount** means, for any prescribed period, the amount stated in the relevant ordinary or special resolution; and

**section 89 amount** means, for any prescribed period, the amount stated in the relevant special resolution.

Residual allotment powers

16. Subject to the provisions of the Companies Acts relating to authority, pre-emption rights or otherwise and of any resolution of the Company in general meeting passed pursuant to those provisions, and, in the case of redeemable shares, the provisions of Article 17:

- (a) all unissued shares for the time being in the capital of the Company shall be at the disposal of the board; and
- (b) the board may allot (with or without conferring a right of renunciation), grant options over, or otherwise dispose of them to such persons on such terms and conditions and at such times as it thinks fit.

Redeemable shares

17. Subject to the provisions of the Companies Acts, and without prejudice to any rights attached to any existing shares or class of shares, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these Articles.

Commissions

18. The Company may exercise all powers of paying commissions or brokerage conferred or permitted by the Companies Acts provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Companies Acts and the rate of commission may be equal to but shall not exceed the rate of 10 per cent. of the price at which the shares in respect of which the commission is paid or agreed to be paid are issued. Subject to the provisions of the Companies Acts, any such commission or brokerage 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. On the issue of shares, the Company may also pay such brokerage as may be lawful.

Trusts not recognised

19. Except as required by law, the Company shall recognise no person as holding any share on any trust and (except as otherwise provided by these Articles, by law or ordered by a court of competent jurisdiction) the Company shall not be bound by or recognise any equitable or other claims to or interest in any share (or in any fractional part of a share) except the holder's absolute right to the entirety of the share (or fractional part of the share).

#### VARIATION OF RIGHTS

Method of varying rights

20. Subject to the provisions of the Companies Acts, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of allotment of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either:

- (a) with the consent of the holders of three-quarters in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares), which consent shall be by means of one or more instruments or contained in one or more electronic communications sent to such address (if any) for the time being notified by or on behalf of the Company for that purpose or a combination of both; or
- (b) with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class,

but not otherwise.

When rights deemed to be varied

21. For the purposes of Article 20, if at any time the capital of the Company is divided into different classes of shares, unless otherwise expressly provided by the rights attached to any share or class of shares, those rights shall be deemed to be varied by:

- (a) the reduction of the capital paid up on that share or class of shares otherwise than by a purchase or redemption by the Company of its own shares; and

- (b) the allotment of another share ranking in priority for payment of a dividend or in respect of capital or which confers on its holder voting rights more favourable than those conferred by that share or class of shares,

but shall not be deemed to be varied by:

- (c) the creation or issue of another share ranking equally with, or subsequent to, that share or class of shares or by the purchase or redemption by the Company of its own shares; or
- (d) the Company permitting, in accordance with the Regulations, the holding of and transfer of title to shares of that or any other class in uncertificated form by means of a relevant system.

### SHARE CERTIFICATES

#### Members' rights to certificates

22. Every member, on becoming the holder of any certificated share (except cases where the holding of shares is in uncertificated form or where a recognised person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) shall be entitled, without payment, to one certificate for all the certificated shares of each class held by him (and, on transferring a part of his holding of certificated shares of any class, to a certificate for the balance of his holding of certificated shares). He may elect to receive one or more additional certificates for any of his certificated shares if he pays for every certificate after the first a reasonable sum determined from time to time by the board. Every certificate shall:

- (a) be executed under the seal or otherwise in accordance with Article ~~173~~172, in such manner as the board may determine in accordance with Article ~~173~~172 or in such other manner as the board may approve; and
- (b) specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on the shares.

The Company shall not be bound to issue more than one certificate for certificated shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them. Shares of different classes may not be included in the same certificate.

#### Replacement certificates

23. If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of any exceptional out-of-pocket expenses reasonably incurred by the Company in investigating evidence and preparing the requisite form of indemnity as the board may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

### LIEN

#### Company to have lien on shares

24. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The board may at any time (generally or in a particular case)

waive any lien or declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount (including without limitation dividends) payable in respect of it.

**Enforcement of lien by sale** 25. The Company may sell, in such manner as the board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share, or to the person entitled to it by transmission, demanding payment and stating that if the notice is not complied with the share may be sold.

**Giving effect to sale** 26. To give effect to that sale the board may, if the share is a certificated share, authorise any person to execute an instrument of transfer in respect of the share sold to, or in accordance with the directions of, the buyer. If the share is an uncertificated share, the board may exercise any of the Company's powers under Article 11 to effect the sale of the share to, or in accordance with the directions of, the buyer. The buyer shall not be bound to see to the application of the purchase money and his title to the share shall not be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

**Application of proceeds** 27. The net proceeds of the sale, after payment of the costs, shall be applied in or towards payment or satisfaction of so much of the sum in respect of which the lien exists as is presently payable. Any residue shall (if the share sold is a certificated share, on surrender to the Company for cancellation of the certificate in respect of the share sold and, whether the share sold is a certificated or uncertificated share, subject to a like lien for any moneys not presently payable as existed on the share before the sale) be paid to the person entitled to the share at the date of the sale.

#### CALLS ON SHARES

**Power to make calls** 28. Subject to the terms of allotment, the board may from time to time make calls on the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium). Each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company the amount called on his shares as required by the notice. A call may be required to be paid by instalments. A call may be revoked in whole or part and the time fixed for payment of a call may be postponed in whole or part as the board may determine. A person on whom a call is made shall remain liable for calls made on him even if the shares in respect of which the call was made are subsequently transferred.

**Time when call made** 29. A call shall be deemed to have been made at the time when the resolution of the board authorising the call was passed.

**Liability of joint holders** 30. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.

**Interest payable** 31. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid. Interest shall be paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, the rate determined by the board, not exceeding 15 per

cent. per annum, or, if higher, the appropriate rate (as defined in the Act), but the board may in respect of any individual member waive payment of such interest wholly or in part.

- Deemed calls** 32. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and notified and payable on the date so fixed or in accordance with the terms of the allotment. If it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.
- Differentiation on calls** 33. Subject to the terms of allotment, the board may make arrangements on the issue of shares for a difference between the allottees or holders in the amounts and times of payment of calls on their shares.
- Payment of calls in advance** 34. The board may, if it thinks fit, receive from any member all or any part of the moneys uncalled and unpaid on any share held by him. Such payment in advance of calls shall extinguish the liability on the share in respect of which it is made to the extent of the payment. The Company may pay on all or any of the moneys so advanced (until they would but for such advance become presently payable) interest at such rate agreed between the board and the member not exceeding (unless the Company by ordinary resolution otherwise directs) 15 per cent. per annum or, if higher, the appropriate rate (as defined in the Act).

#### **FORFEITURE AND SURRENDER**

- Notice requiring payment of call** 35. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the board may give the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
- Forfeiture for non-compliance** 36. If that notice is not complied with, any share in respect of which it was sent may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the board. The forfeiture shall include all dividends or other moneys payable in respect of the forfeited share which have not been paid before the forfeiture. When a share has been forfeited, notice of the forfeiture shall be sent to the person who was the holder of the share before the forfeiture. Where the forfeited share is held in certificated form, an entry shall be made promptly in the register opposite the entry of the share showing that notice has been sent, that the share has been forfeited and the date of forfeiture. No forfeiture shall be invalidated by the omission or neglect to send that notice or to make those entries.
- Sale of forfeited shares** 37. Subject to the provisions of the Companies Acts, a forfeited share shall be deemed to belong to the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the board determines, either to the person who was the holder before the forfeiture or to any other person. At any time before sale, re-allotment or other disposal, the forfeiture may be cancelled on such terms as the

board thinks fit. Where for the purposes of its disposal a forfeited share held in certificated form is to be transferred to any person, the board may authorise any person to execute an instrument of transfer of the share to that person. Where for the purposes of its disposal a forfeited share held in uncertificated form is to be transferred to any person, the board may exercise any of the Company's powers under Article 11. The Company may receive the consideration given for the share on its disposal and may register the transferee as holder of the share.

**Liability following forfeiture**

38. A person shall cease to be a member in respect of any share which has been forfeited and shall, if the share is a certificated share, surrender the certificate for any forfeited share to the Company for cancellation. The person shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of that share with interest on that amount at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the rate determined by the board, not exceeding 15 per cent. per annum or, if higher, the appropriate rate (as defined in the Act), from the date of forfeiture until payment. The board may waive payment wholly or in part or enforce payment without any allowance for the value of the share at the time of forfeiture or for any consideration received on its disposal.

**Surrender**

39. The board may accept the surrender of any share which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

**Extinction of rights**

40. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except only those rights and liabilities expressly saved by these Articles, or as are given or imposed in the case of past members by the Companies Acts.

**Evidence of forfeiture or surrender**

41. A statutory declaration by a director or the secretary that a share has been duly forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The declaration shall (subject if necessary to the execution of an instrument of transfer or transfer by means of the relevant system, as the case may be) constitute a good title to the share. The person to whom the share is disposed of shall not be bound to see to the application of the purchase money, if any, and his title to the share shall not be affected by any irregularity in, or invalidity of, the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

## **TRANSFER OF SHARES**

**Form and execution of transfer of certificated share**

42. The instrument of transfer of a certificated share may be in any usual form or in any other form which the board may approve. An instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered into the register in respect thereof. An instrument of transfer need not be under seal.

<b>Transfers of partly paid certificated shares</b>	43. The board may, in its absolute discretion and without giving any reason, refuse to register the transfer of a certificated share which is not fully paid, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis.
<b>Invalid transfers of certificated shares</b>	44. The board may also refuse to register the transfer of a certificated share unless the instrument of transfer: <ul style="list-style-type: none"> <li>(a) is lodged, duly stamped (if stampable), at the office or at another place appointed by the board accompanied by the certificate for the share 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;</li> <li>(b) is in respect of only one class of shares; and</li> <li>(c) is in favour of not more than four transferees.</li> </ul>
<b>Transfers by recognised persons</b>	45. In the case of a transfer of a certificated share by a recognised person, the lodging of a share certificate will only be necessary if and to the extent that a certificate has been issued in respect of the share in question.
<b>Notice of refusal to register</b>	46. If the board refuses to register a transfer of a share in certificated form, it shall send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with the Company.
<b>Suspension of registration</b>	47. The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the board may determine, except that the board may not suspend the registration of transfers of any participating security without the consent of the Operator of the relevant system.
	<u><a href="#">47A For all purposes these Articles relating to the registration of transfers of shares, the renunciation of the allotment of any shares by the allottee in favour of some other person shall be deemed to be a transfer and the board shall have the same powers of refusing to give effect to such a renunciation as if it were a transfer.</a></u>
<b>No fee payable on registration</b>	48. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to a share.
<b>Retention of transfers</b>	49. The Company shall be entitled to retain an instrument of transfer which is registered, but an instrument of transfer which the board refuses to register shall be returned to the person lodging it when notice of the refusal is sent.

#### **TRANSMISSION OF SHARES**

<b>Transmission</b>	50. If a member dies, the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest. Nothing in these Articles shall release the estate of a deceased member (whether a sole or joint holder) from any liability in respect of any share held by him.
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Elections permitted

51. A person becoming entitled by transmission to a share may, on production of any evidence as to his entitlement properly required by the board, elect either to become the holder of the share or to have another person nominated by him registered as the transferee. If he elects to become the holder he shall send notice to the Company to that effect. If he elects to have another person registered and the share is a certificated share, he shall execute an instrument of transfer of the share to that person. If he elects to have himself or another person registered and the share is an uncertificated share, he shall take any action the board may require (including without limitation the execution of any document and the giving of any instruction by means of a relevant system) to enable himself or that person to be registered as the holder of the share. All the provisions of these Articles relating to the transfer of shares apply to that notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member or other event giving rise to the transmission had not occurred.

Elections required

52. The board may at any time send a notice requiring any such person to elect either to be registered himself or to transfer the share. If the notice is not complied with within 60 days, the board may after the expiry of that period withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Rights of persons entitled by transmission

53. A person becoming entitled by transmission to a share shall, on production of any evidence as to his entitlement properly required by the board and subject to the requirements of Article 51, have the same rights in relation to the share as he would have had if he were the holder of the share, subject to Article ~~182~~.181. That person may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not, before being registered as the holder of the share, be entitled in respect of it to receive notice of, or to attend or vote at, any meeting of the Company or to receive notice of, or to attend or vote at, any separate meeting of the holders of any class of shares in the capital of the Company.

#### ALTERATION OF SHARE CAPITAL

Alterations by ordinary resolution

54. The Company may by ordinary resolution:
- (a) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
  - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (c) subject to the provisions of the Companies Acts, sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
  - (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

**New shares  
subject to these  
Articles**

55. All shares created by ordinary resolution pursuant to Article 54 shall be:
- (a) subject to all the provisions of these Articles, including without limitation provisions relating to payment of calls, lien, forfeiture, transfer and transmission; and
  - (b) unclassified, unless otherwise provided by these Articles, by the resolution creating the shares or by the terms of allotment of the shares.

**Fractions  
arising**

56. Whenever any fractions arise as a result of a consolidation or sub-division of shares, the board may on behalf of the members deal with the fractions as it thinks fit. In particular, without limitation, the board may sell shares representing fractions to which any members would otherwise become entitled to any person (including, subject to the provisions of the Companies Acts, the Company) and distribute the net proceeds of sale in due proportion among those members. Where the shares to be sold are held in certificated form the board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the buyer. Where the shares to be sold are held in uncertificated form, the board may do all acts and things it considers necessary or expedient to effect the transfer of the shares to, or in accordance with the directions of, the buyer. The buyer shall not be bound to see to the application of the purchase moneys and his title to the shares shall not be affected by any irregularity in, or invalidity of, the proceedings in relation to the sale.

**Power to reduce  
capital**

57. Subject to the provisions of the Companies Acts, the Company may by special resolution reduce its share capital, capital redemption reserve and share premium account in any way.

#### **PURCHASE OF OWN SHARES**

**Power to  
purchase own  
shares**

58. Subject to and in accordance with the provisions of the Companies Acts and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class (including without limitation redeemable shares) in any way and at any price (whether at par or above or below par).

#### **GENERAL MEETINGS**

**Types of general  
meeting**

59. All general meetings of the Company other than annual general meetings shall be called extraordinary general meetings. The board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts.

**Class meetings**

60. All provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply to every separate general meeting of the holders of any class of shares in the capital of the Company, except that any holder of shares of the class present in person or by proxy may demand a poll.

**Convening  
general meetings**

61. The board may call general meetings whenever and at such times and places as it shall determine. On the requisition of members pursuant to the provisions of the Companies Acts, the board shall promptly convene an extraordinary general meeting in accordance with the requirements of the Companies Acts. If there are insufficient

directors in the United Kingdom to call a general meeting any director of the Company may call a general meeting, but where no director is willing or able to do so, any two members of the Company may summon a meeting for the purpose of appointing one or more directors.

### NOTICE OF GENERAL MEETINGS

**Period of notice** 62. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least 21 clear days' notice. All other extraordinary general meetings shall be called by at least 14 clear days' notice.

**Recipients of notice** 63. Subject to the provisions of the Companies Acts, to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be sent to all the members, to each of the directors and to the auditors.

**Contents of notice: general** 64. The notice shall specify the time and place of the meeting (including without limitation any satellite meeting place arranged for the purposes of Article 67, which shall be identified as such in the notice) and, in the case of special business, the general nature of that business. All business that is transacted at an extraordinary general meeting shall be deemed special. All business transacted at an annual general meeting shall be deemed special except:

- (a) the consideration and adoption of the accounts and balance sheet and the reports of the directors and auditors and other documents required to be annexed to the accounts;
- (b) the appointment and re-appointment of directors;
- (c) the appointment of auditors where special notice of the resolution for such appointment is not required by the Companies Acts; ~~and~~
- (d) the fixing of, or the determining of the method of fixing, the remuneration of the directors or auditors;
- (e) [the declaration of a final dividend; and](#)
- (f) [the approval of directors' remuneration reports.](#)

**Contents of notice: additional requirements** 65. In the case of an annual general meeting, the notice shall specify the meeting as such. In the case of a meeting to pass a special or extraordinary resolution, the notice shall specify the intention to propose the resolution as a special or extraordinary resolution, as the case may be.

**Article 69 arrangements** 66. The notice shall include details of any arrangements made for the purpose of Article 69 (making clear that participation in those arrangements will not amount to attendance at the meeting to which the notice relates).

**General meetings at more than one place** 67. The board may resolve to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at another place anywhere in the world designated by the directors as a satellite meeting place. The members present in person or by proxy at satellite meeting places 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 if 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 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; and
- (c) be heard and seen by all other persons so present in the same way.

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

**Interruption or adjournment where facilities inadequate**

68. 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 67, then the chairman may in his absolute discretion, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of that adjournment shall be valid. The provisions of Article 80 shall apply to that adjournment.

**Other arrangements for viewing and hearing proceedings**

69. The board may make arrangements for persons entitled to attend a general meeting or an adjourned general meeting to be able to view and hear the proceedings of the general meeting or adjourned general meeting and to speak at the meeting (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) by attending at a venue anywhere in the world not being a satellite meeting place. Those attending at any such venue shall not be regarded as present at the general meeting or adjourned general meeting and shall not be entitled to vote at the meeting at or from that venue. The inability for any reason of any member present in person or by proxy at such a venue to view or hear all or any of the proceedings of the meeting or to speak at the meeting shall not in any way affect the validity of the proceedings of the meeting.

**Controlling level of attendance**

70. The board may from time to time make any arrangements for controlling the level of attendance at any venue for which arrangements have been made pursuant to Article 69 (including without limitation the issue of tickets or the imposition of some other means of selection) which it in its absolute discretion considers appropriate, and may from time to time change those arrangements. If a member, pursuant to those arrangements, is not entitled to attend in person or by proxy at a particular venue, he shall be entitled to attend in person or by proxy at any other venue for which arrangements have been made pursuant to Article 69. The entitlement of any member to be present at such venue in person or by proxy shall be subject to any such arrangement then in force and stated by the notice of meeting or adjourned meeting to apply to the meeting.

**Change in place and/or time of meeting**

71. If, after the sending of notice of a general meeting but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the board decides that it is

impracticable or unreasonable, for a reason beyond its control, to hold the meeting at the declared place (or any of the declared places, in the case of a meeting to which Article 67 applies) and/or time, it may change the place (or any of the places, in the case of a meeting to which Article 67 applies) and/or postpone the time at which the meeting is to be held. If such a decision is made, the board may then change the place (or any of the places, in the case of a meeting to which Article 67 applies) and/or postpone the time again if it decides that it is reasonable to do so. In either case:

- (a) no new notice of the meeting need be sent, but the board shall, if practicable, advertise the date, time and place of the meeting in at least two newspapers having a national circulation and shall make arrangements for notices of the change of place and/or postponement to appear at the original place and/or at the original time; and
- (b) a proxy appointment in relation to the meeting may, if by means of an instrument, be delivered to the office or to such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 99(a) or, if contained in an electronic communication, be received at the address (if any) specified by or on behalf of the Company in accordance with Article 99(b), at any time not less than 48 hours before any postponed time appointed for holding the meeting.

**Meaning of participate**

72. For the purposes of Articles 67, 68, 69, 70 and 71, the right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote on a show of hands, vote on a poll, be represented by a proxy and have access to all documents which are required by the Companies Acts or these Articles to be made available at the meeting.

**Accidental omission to send notice etc.**

73. The accidental omission to send a notice of a meeting, or to send any notification where required by the Companies Acts or these Articles in relation to the publication of a notice of meeting on a website, or to send a form of proxy where required by the Companies Acts or these Articles, to any person entitled to receive it, or the non-receipt for any reason of any such notice or notification or form of proxy by that person, whether or not the Company is aware of such omission or non-receipt, shall not invalidate the proceedings at that meeting.

**Security**

74. The board and, at any general meeting, the chairman may make any arrangement and impose any requirement or restriction it or he considers appropriate to ensure the security 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 and, at any general meeting, the chairman are entitled to refuse entry to a person who refuses to comply with these arrangements, requirements or restrictions.

### **PROCEEDINGS AT GENERAL MEETINGS**

**Quorum**

75. No business shall be transacted at any general meeting unless a quorum is present, but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting. Save as

otherwise provided by these Articles, two persons present in person or by proxy and entitled to vote on the business to be transacted shall be a quorum.

**If quorum not present**

76. If such a quorum is not present within five minutes (or such longer time not exceeding 30 minutes as the chairman of the meeting may decide to wait) from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved, and in any other case shall stand adjourned to such time and place as the chairman of the meeting may determine. If, at the adjourned meeting a quorum is not present after five minutes (or such longer time not exceeding 30 minutes as the chairman of the meeting may decide to wait) the meeting shall be dissolved.

**Chairman**

77. The chairman, if any, of the board or, in his absence, any deputy chairman of the Company or, in his absence, some other director nominated by the board, shall preside as chairman of the meeting. If neither the chairman, deputy chairman nor such other director (if any) is present within five minutes after the time appointed for holding the meeting or is not willing to act as chairman, the directors present shall elect one of their number to be chairman. If there is only one director present and willing to act, he shall be chairman. If no director is willing to act as chairman, or if no director is present within five minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman. Where a general meeting is called to investigate the conduct of any specified person that person shall be disqualified from presiding as chairman thereat.

**Directors entitled to speak**

78. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the capital of the Company.

**Adjournment: chairman's powers**

79. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place. No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. In addition (and without prejudice to the chairman's power to adjourn a meeting conferred by Article 68), the chairman may adjourn the meeting to another time and place without such consent if it appears to him that:

- (a) it is likely to be impracticable to hold or continue that meeting because of the number of members wishing to attend who are not present; or
- (b) the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of the business of the meeting; or
- (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

**Adjournment: procedures**

80. Any such adjournment may be for such time and to such other place (or, in the case of a meeting held at a principal meeting place and a satellite meeting place, such other places) as the chairman may, in his absolute discretion determine, notwithstanding that by reason of such adjournment some members may be unable to be present at the adjourned meeting. Any such member may nevertheless appoint a

proxy for the adjourned meeting either in accordance with Article 99 or by means of an instrument which, if delivered by him at the meeting which is adjourned to the chairman or the secretary or any director, shall be valid even though it is given at less notice than would otherwise be required by Article 99(a). When a meeting is adjourned for 30 days or more or for an indefinite period, notice shall be sent at least seven clear days before the date of the adjourned meeting specifying the time and place (or places, in the case of a meeting to which Article 67 applies) of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to send any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**Amendments to resolutions**

81. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. With the consent of the chairman, an amendment may be withdrawn by its proposer before it is voted on. No amendment to a resolution duly proposed as a special or extraordinary resolution may be considered or voted on (other than a mere clerical amendment to correct a patent error). No amendment to a resolution duly proposed as an ordinary resolution may be considered or voted on (other than a mere clerical amendment to correct a patent error) unless either (a) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and the intention to move it has been delivered by means of an instrument to the office or to such other place as may be specified by or on behalf of the Company for that purpose, or received in an electronic communication at such address (if any) for the time being notified by or on behalf of the Company for that purpose, or (b) the chairman in his absolute discretion decides that the amendment may be considered and voted on.

**Methods of voting**

82. A resolution or any question put to the vote of a general meeting shall be decided on a show of hands unless, before or on the declaration of the result of a vote on the show of hands or on the withdrawal of any other demand for a poll, a poll is duly demanded. Subject to the provisions of the Companies Acts, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least five members present in person or by proxy having the right to vote at the meeting; or
- (c) any member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) any member or members present in person or by proxy 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.

A demand by a person as proxy for a member shall be the same as a demand by the member.

<b>Declaration of result</b>	83. Unless a poll is duly demanded (and the demand is not withdrawn before the poll is taken) a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
<b>Chairman's casting vote</b>	84. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
<b>Withdrawal of demand for poll</b>	85. The demand for a poll may be withdrawn before the poll is taken, but only with the consent of the chairman. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If the demand for a poll is withdrawn, the chairman or any other member entitled may demand a poll.
<b>Conduct of poll</b>	86. Subject to Article 87, a poll shall be taken as the chairman directs and he may, and shall if required by the meeting, appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
<b>When poll to be taken</b>	87. A poll demanded on the election of a chairman or on a question of adjournment shall be taken at the meeting at which it is demanded. A poll demanded on any other question shall be taken either at the meeting or at such time and place as the chairman directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
<b>Notice of poll</b>	88. No notice need be sent of a poll not taken at the meeting at which it is demanded if the time and place at which it is to be taken are announced at the meeting. In any other case notice shall be sent at least seven clear days before the taking of the poll specifying the time and place at which the poll is to be taken.
<b>Effectiveness of special and extraordinary resolutions</b>	89. Where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective. Where for any purpose an extraordinary resolution is required, a special resolution shall also be effective.

## VOTES OF MEMBERS

<b>Right to vote</b>	90. Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.
<b>Votes of joint holders</b>	91. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names of the holders stand in the register.

- Member under incapacity** 92. A member in respect of whom an order has been made by a court or official having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised for that purpose appointed by that court or official. That receiver, curator bonis or other person may, on a poll, vote by proxy. The right to vote shall be exercisable only if evidence satisfactory to the board of the authority of the person claiming to exercise the right to vote has been delivered to the office, or another place specified in accordance with these Articles for the delivery of proxy appointments, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised.
- Calls in arrears** 93. No member shall be entitled to vote at a general meeting or at a separate meeting of the holders of any class of shares in the capital of the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
- Errors in voting** 94. If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment of the meeting, and, in the opinion of the chairman, it is of sufficient magnitude to vitiate the result of the voting.
- Objection to voting** 95. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is tendered. Every vote not disallowed at such meeting shall be valid and every vote not counted which ought to have been counted shall be disregarded. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
- Voting: additional provisions** 96. On a poll, votes may be given either personally or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

#### **PROXIES AND CORPORATE REPRESENTATIVES**

- Appointment of proxy: execution** 97. The appointment of a proxy, whether by means of an instrument or contained in an electronic communication, shall be executed in such manner as the board may approve. Subject thereto, the appointment of a proxy shall be executed by the appointor or his attorney or, if the appointor is a corporation, executed by a duly authorised officer, attorney or other authorised person or under its common seal. For the purpose of this Article and Articles 98, 99, 100, ~~101~~ and ~~102~~, 101, an electronic communication which contains a proxy appointment need not comprise writing if the board so determines and in such a case, if the board so determines, the appointment need not be executed but shall instead be subject to such conditions as the board may approve.
- Method of proxy appointment** 98. The appointment of a proxy shall be in any usual form or in any other form which the board may approve. Subject thereto, the appointment of a proxy may be:
- (a) by means of an instrument; or
  - (b) contained in an electronic communication sent to such address (if any) for the time being notified by or on behalf of the Company for that purpose.

The board may, if it thinks fit, but subject to the provisions of the Companies Acts, at the Company's expense send forms of proxy for use at the meeting and issue invitations contained in electronic communications to appoint a proxy in relation to the meeting in such form as may be approved by the board. The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. A member may appoint more than one proxy to attend on the same occasion.

**Delivery/receipt  
of proxy  
appointment**

99. Without prejudice to Article 71(b) or to the second sentence of Article 80, the appointment of a proxy shall:

- (a) in the case of an instrument, be delivered personally or by post to the office or such other place within the United Kingdom as may be specified by or on behalf of the Company for that purpose:
  - (i) in the notice convening the meeting, or
  - (ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting,

not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or any postponed time appointed for holding the meeting pursuant to Article 71) at which the person named in the appointment proposes to vote; or

- (b) in the case of an appointment contained in an electronic communication, where an address has been specified by or on behalf of the Company for the purpose of receiving electronic communications:
  - (i) in the notice convening the meeting, or
  - (ii) in any form of proxy sent by or on behalf of the Company in relation to the meeting, or
  - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by or on behalf of the Company in relation to the meeting,

be received at that address not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or any postponed time appointed for holding the meeting pursuant to Article 71) at which the person named in the appointment proposes to vote; or

- (c) in either case, where a poll is taken more than 48 hours after it is demanded, be delivered or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (d) in the case only of an instrument, where a poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director.

Receipt of authority

100. Where the appointment of a proxy is expressed to have been or purports to have been executed by a person on behalf of the holder of a share:

- (a) the Company may treat the appointment as sufficient evidence of the authority of that person to execute the appointment on behalf of that holder;
- (b) that holder shall, if requested by or on behalf of the Company at any time, send or procure the sending of any written authority under which the appointment has been executed, or a copy of such authority certified notarially or in some other way approved by the board, to such address and by such time as may be specified in the request and, if the request is not complied with in any respect, the appointment may be treated as invalid; and
- (c) whether or not a request under Article 100(b) has been made or complied with, the Company may determine that it has insufficient evidence of the authority of that person to execute the appointment on behalf of that holder and may treat the appointment as invalid.

Validity of proxy appointment

~~101.—A proxy appointment which is not delivered or received in accordance with Article 99 shall be invalid. When two or more valid proxy appointments are delivered or received in respect of the same share for use at the same meeting, the one which was last delivered or received shall be treated as replacing and revoking the others as regards that share. The board may determine at its discretion when a proxy appointment shall be treated as delivered or received for the purposes of these Articles.~~

101. ~~102.~~—A proxy appointment which is not delivered or received in accordance with Article 99, or in respect of which Article 100 has not been complied with, shall be invalid. No proxy appointment shall be valid more than twelve months after the date stated in it as the date of its execution. When two or more valid proxy appointments are delivered or received in respect of the same share for use at the same meeting, the one which was received last shall be treated as replacing and revoking the others as regards that share; if the Company is unable to determine which was received last, none of them shall be treated as valid in respect of that share. Any question as to whether a proxy appointment has been validly delivered or received which is unresolved at the commencement of a general meeting shall be referred to the chairman whose decision shall be final and conclusive.

Rights of proxy

102. ~~103.~~—A proxy appointment shall be deemed to include the right to demand, or join in demanding, a poll but shall not confer any further right to speak at a meeting, except with the permission of the chairman. The proxy appointment shall also be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The proxy appointment shall, unless it provides to the contrary, be valid for any adjournment of the meeting as well as for the meeting to which it relates.

Corporate representatives

103. ~~104.~~—Any corporation which is a member of the Company (in this Article the *grantor*) 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 separate meeting of the holders of any class of shares. A person so authorised shall be entitled to exercise the same power on behalf of the grantor as the grantor could

exercise if it were an individual member of the Company, save that a director, the secretary or other person authorised for the purpose by the secretary may require such person to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers. The grantor shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it.

Revocation of authority

104. ~~105.~~ A vote given or poll demanded by a 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 the poll unless notice of the determination was either delivered or received as mentioned in the following sentence ~~before 5.00 p.m. on the day preceding the meeting or adjourned meeting at which the vote is~~ not later than the last time at which an appointment of proxy should have been received in order to be valid for use at the meeting or on the holding of the poll at which the vote was 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.~~ Such notice of determination shall be either by means of an instrument delivered to the office or to such other place within the United Kingdom as may be specified by or on behalf of the Company in accordance with Article 99(a) or contained in an electronic communication received at the address (if any) specified by or on behalf of the Company in accordance with Article 99(b), regardless of whether any relevant proxy appointment was effected by means of an instrument or contained in an electronic communication. For the purpose of this Article, an electronic communication which contains such notice of determination need not comprise writing if the board has determined that the electronic communication which contains the relevant proxy appointment need not comprise writing.

#### COMPANY INVESTIGATIONS

Section 212 of the Act: restrictions if in default

105. ~~106.~~ If at any time the board is satisfied that 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 212 of the Act (a *section 212 notice*) and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the board may, in its absolute discretion at any time thereafter by notice (a *direction notice*) to such member direct that:

- (a) in respect of the shares in relation to which the default occurred (the *default shares*, which expression includes any shares issued after the date of the section 212 notice in respect of those shares) the member shall not be entitled to attend or vote either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares or on a poll; and
- (b) where the default shares represent at least  $\frac{1}{4}$  of one per cent. in nominal value of the issued shares of their class (calculated exclusive of any shares of that class held as treasury shares), the direction notice may additionally direct that in respect of the default shares:
  - (i) no payment shall be made by way of dividend and no share shall be allotted pursuant to Article ~~181~~ 180;

- (ii) no transfer of any default share shall be registered unless:
  - (A) the member is not himself in default as regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the member in such form as the board may in its absolute discretion require 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; or
  - (B) the transfer is an approved transfer; or
  - (C) registration of the transfer is required by the Regulations.

Copy of notice to interested persons

106. ~~107.~~ The Company shall send the direction notice to each other person appearing to be interested in the default shares, but the failure or omission by the Company to do so shall not invalidate such notice.

When restrictions cease to have effect

107. ~~108.~~ Any direction notice shall cease to have effect not more than seven days after the earlier of receipt by the Company of:

- (a) a notice of an approved transfer, but only in relation to the shares transferred; or
- (b) all the information required by the relevant section 212 notice, in a form satisfactory to the board.

Board may cancel restrictions  
Conversion of uncertificated shares

108. ~~109.~~ The board may at any time send a notice cancelling a direction notice.

109. ~~110.~~ The Company may exercise any of its powers under Article 11 in respect of any default share that is held in uncertificated form.

Supplementary provisions

110. ~~111.~~ For the purposes of this Article and Articles 105., 106, 107, ~~108., 109.~~ 108 and ~~110.~~ 109.:

- (a) a person shall be treated as appearing to be interested in any shares if the member holding such shares has sent to the Company a notification under section 212 of the Act which either (i) names such person as being so interested or (ii) fails to establish the identities of all those interested in the shares, and (after taking into account the said notification and any other relevant section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- (b) the prescribed period is 14 days from the date of service of the section 212 notice; and
- (c) a transfer of shares is an approved transfer if:
  - (i) it is a transfer of shares pursuant to an acceptance of a takeover offer (within the meaning of section 428(1) of the Act); or

- (ii) the board is satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares the subject of the transfer to a party unconnected with the member and with any other person appearing to be interested in the shares; or
- (iii) the transfer results from a sale made through a recognised investment exchange as defined in the Financial Services and Markets Act 2000 or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.

Section 216 of the Act

Nothing contained in Article ~~105~~, 106, 107, 108, ~~109, 109 or~~ 110 ~~or 111~~ limits the power of the Company under section 216 of the Act.

#### NUMBER OF DIRECTORS

Limits on number of directors

111. ~~112.~~ Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall be not fewer than 8 nor more than 20.

#### APPOINTMENT AND RETIREMENT OF DIRECTORS

Number of directors to retire

112. ~~113.~~ At every annual general meeting one-third of the directors or, if their number is not three or a multiple of three, the number nearest to (but does not exceed) one-third shall retire from office; but if any director has at the start of the annual general meeting been in office for three years or more since his last appointment or re-appointment, he shall retire. For the purposes of calculating the three year period where a director was appointed or last re-appointed at an annual general meeting, the duration of a year shall be deemed to be the time elapsed from one annual general meeting to the next.

Which directors to retire

113. ~~114.~~ Subject to the provisions of the Companies Acts and these Articles, the directors to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment. As between persons who became or were last re-appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the board at the date of the notice convening the annual general meeting. No director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the directors after the date of the notice but before the close of the meeting. In addition, a director who would not otherwise be required to retire shall retire if he has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting and if re-elected shall retire each year.

When director deemed to be re-appointed

114. ~~115.~~ If the Company does not fill the vacancy at the meeting at which a director retires by rotation or otherwise, the retiring director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the director is put to the meeting and lost.

Eligibility for election

115. ~~116.~~ No person other than a director retiring by rotation shall be appointed a director at any general meeting unless:

- (a) he is recommended by the board; or
- (b) not less than seven nor more than 42 days before the date appointed for the meeting, notice executed by three or more members entitled to attend and vote at the meeting holding between them shares of any class of an aggregate nominal value of at least £10,000 (none of them being the person to be proposed) has been received by the Company of the intention to propose that person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of directors, together with notice executed by that person of his willingness to be appointed.

Separate resolutions on appointment

116. ~~117.~~ Except as otherwise authorised by the Companies Acts, the appointment of any person proposed as a director shall be effected by a separate resolution.

Additional powers of the Company

117. ~~118.~~ Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire. The appointment of a person to fill a vacancy or as an additional director shall take effect from the end of the meeting.

Appointment by board

118. ~~119.~~ The board may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director and in either case whether or not for a fixed term, provided that the appointment does not cause the number of directors to exceed the number, if any, fixed by or in accordance with these Articles as the maximum number of directors. Irrespective of the terms of his appointment, a director so appointed shall hold office only until the next following general meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting. If not re-appointed at such general meeting, he shall vacate office at its conclusion.

Position of retiring directors

119. ~~120.~~ A director who retires at an annual general meeting may, if willing to act, be re-appointed. If he is not re-appointed or deemed re-appointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

Share qualification

120. ~~121.~~ The qualification of every director shall be the beneficial ownership of that number of shares as may from time to time be determined by ordinary resolution at any general meeting of the Company. A director may act before acquiring his qualification but shall in any case unless already qualified acquire the same within two months of his appointment.

#### ALTERNATE DIRECTORS

Power to appoint alternates

121. ~~122.~~ Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the board and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him. An alternate director shall not be required to hold any share qualification.

Alternates entitled to receive notice

122. ~~123.~~ An alternate director shall be entitled to receive notice of all meetings of the board and of all meetings of committees of the board of which his appointor is a member, to attend and vote at any such meeting at which his appointor is not personally present, and generally to perform all the functions of his appointor (except as regards power to appoint an alternate) as a director in his absence. It shall not be necessary to send notice of such a meeting to an alternate director who is absent from the United Kingdom.

Alternates representing more than one director

123. ~~124.~~ A director or any other person may act as alternate director to represent more than one director, and an alternate director shall be entitled at meetings of the board or any committee of the board 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.

Expenses and remuneration of alternates

124. ~~125.~~ An alternate director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a director but shall not be entitled to receive any remuneration from the Company in respect of his services as an alternate director. An alternate director shall be entitled to be indemnified by the Company to the same extent as if he were a director.

Termination of appointment

125. ~~126.~~ An alternate director shall cease to be an alternate director:

- (a) if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is re-appointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his re-appointment; or
- (b) on the happening of any event which, if he were a director, would cause him to vacate his office as director; or
- (c) if he resigns his office by notice to the Company.

Method of appointment and revocation

126. ~~127.~~ Any appointment or removal of an alternate director shall be by notice to the Company executed by the director making or revoking the appointment and shall take effect in accordance with the terms of the notice (subject to any approval required by Article ~~122~~121) on receipt of such notice by the Company which shall, in the case of a notice contained in an instrument, be at the office or, in the case of a notice contained in an electronic communication, be at such address (if any) for the time being notified by or on behalf of the Company for that purpose.

Alternate not an agent of appointor

127. ~~128.~~ Except as otherwise expressly provided in these Articles, an alternate director shall be deemed for all purposes to be a director. Accordingly, except where the context otherwise requires, a reference to a director shall be deemed to include a reference to an alternate director. An alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

## POWERS OF THE BOARD

Business to be managed by board

128. ~~129.~~ Subject to the provisions of the Companies Acts, the Memorandum and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the board which may exercise all the powers of the Company, including without limitation the power to dispose of all or any part of the undertaking of the Company. No alteration of the Memorandum or Articles and no such direction or regulation made by the Company in general meeting shall invalidate any prior act of the board which would have been valid if that alteration or the regulation had not been made or the direction had not been given. The powers given by this Article shall not be limited by any special power given to the board by these Articles. A meeting of the board at which a quorum is present may exercise all powers exercisable by the board.

Exercise by Company of voting rights

129. ~~130.~~ The board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as it thinks fit (including without limitation the exercise of that power in favour of any resolution appointing its members or any of them directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate).

## DELEGATION OF POWERS OF THE BOARD

Committees of the board

130. ~~131.~~ The board may delegate any of its powers to any committee consisting of such directors, or any other person, as the board thinks fit. The board may also delegate to any director holding any executive office such of its powers as the board considers desirable to be exercised by him. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the board may specify, and may be revoked or altered. Any person other than a director whom the directors co-opt onto any committee may enjoy voting rights in the committee. Subject to any conditions imposed by the board, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of directors so far as they are capable of applying and are not superseded by any conditions made by the board under this Article. Any committee formed to consider the remuneration of the directors shall consist exclusively of non-executive directors.

Local management

131. ~~132.~~ The board may from time to time provide for management and transaction of the affairs of the Company in any specified locality whether at home or abroad in such manner as they think fit and the provisions contained in the next Article shall be without prejudice to the general power conferred by this Article.

Local boards etc.

132. ~~133.~~ The board may establish local or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of the local or divisional boards, or any managers or agents, and may fix their remuneration. The board may delegate to any local or divisional board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the board, with power to sub-delegate, and may

authorise the members of any local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies. Any appointment or delegation made pursuant to this Article may be made on such terms and subject to such conditions as the board may decide. The board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

**Agents** 133. ~~134.~~ The board may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the board) and on such conditions as the board determines, including without limitation authority for the agent to delegate all or any of his powers, authorities and discretions, and may revoke or vary such delegation.

**Offices including title "director"** 134. ~~135.~~ The board may appoint any person to any office or employment having a designation or title including the word "director" (whether as associate group directors, divisional, departmental, deputy, assistant, local, advisory or otherwise) or attach to any existing office or employment with the Company such a designation or title and may define, vary, limit and restrict the powers, authorities and directions of persons so appointed and may fix and determine their recommendations and duties and, subject to any contract between such a person and the Company, may terminate any such appointment or the use of any such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment shall not imply that the holder is a director of the Company, and the holder shall not thereby be empowered in any respect to act as, or be deemed to be, a director of the Company for any of the purposes of these Articles.

#### DISQUALIFICATION AND REMOVAL OF DIRECTORS

**Disqualification as a director** 135. ~~136.~~ The office of a director shall be vacated and he shall automatically cease to be a member of any committee if:

- (a) he ceases to be a director by virtue of any provisions of the Companies Acts or these Articles or he becomes prohibited by law from being a director; or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally or shall apply to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or
- (c) he is, or may be, suffering from mental disorder and either:
  - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or
  - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or

- (d) he resigns his office by written notice to the Company or if he tenders his resignation in writing to the board and the board resolves to accept it or, having been appointed for a fixed term, the term expires or his office as a director is vacated pursuant to Article ~~119~~118; or
- (e) he has been absent for more than six consecutive months without permission of the board from meetings of the board held during that period and his alternate director (if any) has not attended in his place during that period and the board resolves that his office be vacated;
- (f) he is requested to resign by a notice in writing signed by no fewer than three-quarters of the other directors. Such a request can consist of several documents in the same form signed by one or more directors. In calculating the number of directors who are required to make such a request to the director, (i) an alternate director appointed by him acting in his capacity as such shall be excluded; and (ii) a director and any alternate director appointed by him and acting in his capacity as such shall constitute a single director for this purpose, so that execution by either shall be sufficient;
- (g) he is removed from office by a resolution of the board passed at a meeting of the board at which every director is present (other than the holder of the office to be vacated) and in respect of which no fewer than three-quarters of the other directors have voted in favour. In calculating the number of directors who are required to pass such a resolution, (i) an alternate director appointed by him acting in his capacity as such shall be excluded; and (ii) a director and any alternate director appointed by him and acting in his capacity as such shall constitute a single director for this purpose;
- (h) he ceases to hold the required amount of shares to qualify him for office or does not (unless already qualified) acquire the same within two months after election or appointment;
- (i) without the approval of the board he is or becomes a director, auditor or other officer of any company carrying on business similar to that carried on by the Company or any subsidiary of the Company and the board resolves that his office be vacated; or
- (j) being the holder of any other office or place of profit under the Company or under any subsidiary of the Company he vacates or is removed from that office or place of profit for any reason and the board passes a resolution or signs a notice in accordance with paragraph (f) or (g) above that his office of director be vacated.

Power of  
Company to  
remove director

136. ~~137.~~ The Company may, without prejudice to the provisions of the Companies Acts, by ordinary resolution remove any director from office (notwithstanding any provision of these Articles or of any agreement between the Company and such director, but without prejudice to any claim he may have for damages for breach of any such agreement). No special notice need be given of any resolution to remove a director in accordance with this Article and no director proposed to be removed in accordance with this Article has any special right to protest against his removal. The Company

may, by ordinary resolution, appoint another person in place of a director removed from office in accordance with this Article. Any person so appointed shall, for the purpose of determining the time at which he or any other director is to retire by rotation, be treated as if he had become a director on the day on which the director in whose place he is appointed was last elected a director. In default of such appointment the vacancy arising on the removal of a director from office may be filled as a casual vacancy.

#### REMUNERATION OF NON-EXECUTIVE DIRECTORS

Ordinary remuneration

137. ~~138.~~ The ordinary remuneration of the directors who do not hold executive office for their services shall be such amount as the board may from time to time determine and shall be divided among the non-executive directors in such proportion or manner as the board may determine.

Additional remuneration for special services

138. ~~139.~~ Any director who does not hold executive office and who by the request of the board goes or resides abroad for any purpose of the Company or otherwise performs special services which in the opinion of the board are outside the scope of the ordinary duties of a director, may (without prejudice to the provisions of Article ~~138~~137) be paid such extra remuneration by way of salary, commission or otherwise as the board may determine.

#### DIRECTORS' EXPENSES

Directors may be paid expenses

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

#### EXECUTIVE DIRECTORS

Appointment to executive office

140. ~~141.~~ Subject to the provisions of the Companies Acts, the board may appoint one or more of its body to be the holder of any executive office (except that of auditor) in the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made on such terms, including without limitation terms as to remuneration, as the board determines. The board may revoke or vary any such appointment but without prejudice to any rights or claims which the person whose appointment is revoked or varied may have against the Company because of the revocation or variation.

141. ~~142.~~ Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any rights or claims which he may have against the Company by reason of such cessation. A director appointed to an executive office shall not cease to be a director merely because his appointment to such executive office terminates.

Emoluments to be determined by the board

142. ~~143.~~ The emoluments of any director holding executive office for his services as such shall be determined by the board or a remuneration committee established by the board for this purpose, and may be of any description, including without limitation admission to, or continuance of, membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund.

#### DIRECTORS' INTERESTS

Directors may contract with the Company

143. ~~144.~~ Subject to the provisions of the Companies Acts, and provided that he has disclosed to the board the nature and extent of any material interest of his, a director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (c) 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 promoted by the Company or in which the Company is otherwise interested; and
- (d) 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 and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

Notification of interests

144. ~~145.~~ For the purposes of Article ~~144~~143:

- (a) a general notice given to the board 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; and
- (b) 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.

145. ~~146.~~ A director who is in ~~anyway~~any way whether directly or indirectly interested in a contract or proposed contract with the Company shall comply in regard to such contract or proposed contract with the requirements of the law as to disclosure of interest.

Directors' power to vote on contracts in which they are interested

146. ~~147.~~ Except as otherwise provided by these Articles, a director shall not vote at a meeting of the board or a committee of the board on any resolution of the board concerning a matter in which he has an interest (other than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) which (together with any interest of any person connected with him) is to his knowledge material unless his interest arises only because the resolution concerns one or more of the following matters:

- (a) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
- (b) the giving of a guarantee, security or indemnity in respect of a debt or 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) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (d) a contract, arrangement, transaction or proposal concerning any other body corporate in which he or any person connected with him is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, if he and any persons connected with him do not to his knowledge hold an interest (as that term is used in sections 198 to 211 of the Act) representing one per cent. or more of either any class of the equity share capital of such body corporate (or any other body corporate through which his interest is derived) (calculated exclusive of any shares of that class in that body corporate held as treasury shares) or of the voting rights available to members of the relevant body corporate (calculated exclusive of any shares of that class in that body corporate held as treasury shares) (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
- (e) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and
- (f) a contract, arrangement, transaction or proposal concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any directors of the Company or for persons who include directors of the Company.

Director may hold other office

147. ~~148.~~ A director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the directors may resolve and no director or intending director shall be disqualified by his office from

contracting with the Company as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established.

**Director may become a director of subsidiary**

148. ~~149.~~ A director may be or become a director or other officer of any subsidiary of the Company or any company in which the Company is interested as shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of such other company unless the directors otherwise resolve.

**Interests of connected person and alternate director**

149. ~~150.~~ For the purposes of Article ~~147,~~146, an interest of a person who is, for any purpose of the Companies Acts (excluding any statutory modification of the Companies Acts not in force when this Article is adopted), connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor of which the alternate director is not aware shall not be treated as an interest of the alternate director, without prejudice to any interest which the alternate director has otherwise.

150. ~~151.~~ The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a director from voting at a meeting of directors or of a committee of directors.

**Division of proposals**

151. ~~152.~~ Where proposals are under consideration concerning the appointment (including without limitation fixing or varying the 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. In such cases each of the directors concerned shall be entitled to vote in respect of each resolution except that concerning his own appointment.

**Decision of chairman final and conclusive**

152. ~~153.~~ If a question arises at a meeting of the board or of a committee of the board as to the entitlement of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed. If any such question arises in respect of the chairman of the meeting, it shall be decided by resolution of the board (on which the chairman shall not vote) and such resolution will be final and conclusive except in a case where the nature and extent of the interests of the chairman have not been fairly disclosed.

## **PROCEEDINGS OF THE BOARD**

**Convening meetings**

153. ~~154.~~ Subject to the provisions of these Articles, the board may regulate its proceedings as it thinks fit. A director may, and the secretary (or one of the secretaries if there be more than one) at the request of a director shall, call a meeting of the board. Notice of a board meeting shall be deemed to be properly sent to a director if it is given

to him personally or by word of mouth or sent by instrument to him, at his last known address or such other address (if any) as may for the time being be notified by him or on his behalf to the Company for that purpose, or sent using electronic communications to such address (if any) for the time being notified by him or on his behalf to the Company for that purpose. It shall not be necessary to send notice of a board meeting to a director who is for the time being absent from his last known address or such other address (if any) for the time being notified by him or on his behalf to the Company and who has provided no forwarding address or who, having provided such address, cannot be contacted after reasonable attempts to do so. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. Any director may waive notice of a meeting and any such waiver may be retrospective. Any electronic communication pursuant to this Article need not comprise writing if the board so determines.

**Quorum** 154. ~~155.~~—The quorum for the transaction of the business of the board may be fixed by the board and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the board meeting if no director objects.

**Powers of directors if number falls below minimum** 155. ~~156.~~—The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

**Chairman and deputy chairman** 156. ~~157.~~—The board may appoint one of their number to be the chairman, and one of their number to be the deputy chairman, of the board and may at any time remove either of them from such office. Unless he is unwilling to do so, the director appointed as chairman, or in his stead the director appointed as deputy chairman, shall preside at every meeting of the board at which he is present. If there is no director holding either of those offices, or if neither the chairman nor the deputy chairman is willing to preside or neither of them is present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

**Validity of acts of the board** 157. ~~158.~~—All acts done by a meeting of the board, or of a committee of the board, or by a person acting as a director or alternate director, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or any member of the committee or alternate director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director or, as the case may be, an alternate director and had been entitled to vote.

**Resolutions in writing** 158. ~~159.~~—A resolution in writing executed by all the directors entitled to receive notice of a meeting of the board or of a committee of the board (not being less than the number of directors required to form a quorum of the board) shall be as valid and effectual as if it had been passed at a meeting of the board or (as the case may be) a committee of the board duly convened and held. For this purpose:

- (a) a resolution may be by means of an instrument or contained in an electronic communication sent to such address (if any) for the time being notified by the Company for that purpose;
- (b) a resolution may consist of several instruments or several electronic communications, each executed by one or more directors, or a combination of both;
- (c) a resolution executed by an alternate director need not also be executed by his appointor; and
- (d) a resolution executed by a director who has appointed an alternate director need not also be executed by the alternate director in that capacity.

Meetings by telephone etc.

159. ~~160.~~ Without prejudice to the first sentence of Article ~~154,~~153, a person entitled to be present at a meeting of the board or of a committee of the board shall be deemed to be present for all purposes if he is able (directly or by telephonic communication) to speak to and be heard by all those present or deemed to be present simultaneously. A director so deemed to be present shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where it is convened to be held or (if no director is present in that place) where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is. The word *meeting* in these Articles shall be construed accordingly.

#### **BORROWING POWERS**

Power to borrow

160. ~~161.~~ The board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Borrowing limit

161. ~~162.~~ The board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (but as regards subsidiary undertakings, only so far as by the exercise of such rights or powers of control the board can secure) that, save with the previous sanction of an ordinary resolution and subject as provided below, no money shall be borrowed if the principal amount outstanding of all Borrowings by the Company and its subsidiary undertakings (if any), then exceeds, or would as a result of such borrowing exceed, an amount equal to the aggregate of the Share Capital and Consolidated Reserves and one tenth of the Insurance Funds of the Company and each of its subsidiary undertakings as shown in the Audited Consolidated Balance Sheet.

Persons dealing with the Company

162. ~~163.~~ No person dealing with the Company shall be concerned to see or enquire whether the restriction imposed by Article ~~162~~161 is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.

Determining whether limit breached

163. ~~164.~~ A determination by the auditors as to the amount of Borrowings or the amount of the Share Capital and Consolidated Reserves or to the effect that the limit imposed by Article ~~162~~161 has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of Article ~~162~~161. Nevertheless for the purposes of Article ~~162~~161 the board may at any time act in reliance on a bona fide estimate of the amount of the Borrowings or Share Capital and Consolidated Reserves.

Definitions

164. ~~165.~~ For the purposes of this Article and Articles ~~162, 163, 164 and 165~~160 to 163:

***Audited Consolidated Balance Sheet*** means the most recent audited consolidated balance sheet of the Company prepared in accordance with the Act dealing with the state of affairs of the Group;

The Company may from time to time change the accounting convention on which the audited consolidated balance sheet is based provided that any new convention adopted complies with the requirements of the Act. If the Company should prepare its main audited consolidated balance sheet on the basis of one convention, but a supplementary audited consolidated balance sheet on the basis of another, the main audited consolidated balance sheet shall be taken as the audited consolidated balance sheet;

***Borrowings*** means the aggregate amount of all liabilities of the Group which in accordance with the accounting bases and principles of the Group are treated as borrowings in the Audited Consolidated Balance Sheet of the Group or which are determined by the directors to have the character of borrowed money but:

- (a) adjusted as appropriate in respect of any variation to borrowings since the date of the latest Audited Consolidated Balance Sheet as determined by the board;
- (b) making such other adjustments (if any) as the directors of the Company consider appropriate;
- (c) shall be deemed not to include the following:
  - (i) borrowings incurred in connection with the investment assets held in respect of ~~the~~ Insurance Funds;
  - (ii) moneys deposited with the Company or any of its subsidiary undertakings in connection with insurance business or with any staff saving scheme;
  - (iii) amounts secured by policies, guarantees, indemnities, bonds or contracts issued or given by the Company or any of its subsidiary undertakings in the course of its business as an insurance company;
  - (iv) moneys deposited with, borrowings made by or amounts secured by guarantees, indemnities, bonds or contracts issued or given by the Company or any of its subsidiary undertakings in connection with the business of banking or deposit taking;

- (v) without prejudice to the generality of sub-paragraph (c)(iv), the borrowings of any subsidiary undertaking the shares of which are listed on any Stock Exchange;
- (vi) borrowings attributable to any undertaking the Company's interest in which is equity accounted in the Audited Consolidated Balance Sheet; ~~and~~
- (vii) any intra-Group borrowings; and
- (viii) any indebtedness for borrowed money incurred in respect of which the person to whom such indebtedness is owed has no recourse whatsoever to the issuer or any member of the Group, other than recourse for amounts limited to the cash flow or net cash flow (other than historic cash flow or historic net cash flow) directly or indirectly attributable to specified assets or contracts (or a specified class of asset or contract) or the profits or regulatory surplus emerging from specified assets or contracts (or a specified class thereof);

borrowings expressed in a currency other than sterling shall be converted into sterling as follows:

- (d) as regards a borrowing shown as outstanding in whole or in part in the then latest Audited Consolidated Balance Sheet, at the rate of exchange adopted for the purpose of that balance sheet;
- (e) as regards other borrowings (that is to say those borrowings no part of which was outstanding at the date of the relevant balance sheet) at the rates of exchange ruling in London at the close of business on the date upon which they were incurred; but so that
- (f) an overdraft or other borrowing on current account expressed in a currency other than sterling shall be converted:
  - (i) if at the date of the relevant balance sheet any amount was outstanding on that overdraft or current account, at the rates indicated in clauses (i) or (ii) above; and
  - (ii) if no such amount was then outstanding at the rates of exchange ruling in London at the close of business on the date upon which, since the date of such balance sheet, the overdraft or current account was first in debit,

notwithstanding, in either case, its subsequent repayment and a later borrowing on the same account;

**Group** means the Company and its subsidiary undertakings;

**Insurance Funds** means the technical provisions ~~and any fund for future appropriations~~ maintained by the Group in respect of ~~its~~ insurance and investment

contracts and any unallocated surplus in respect of the Group's long term insurance business;

**Share Capital and Consolidated Reserves** means the capital and reserves as shown by the then latest Audited Consolidated Balance Sheet but:

- (g) adjusted as may be appropriate in respect of (i) any subsequent variation in the paid up share capital or share premium account of the Company, and so that for this purpose if the Company has issued any shares for cash and the issue has been underwritten then the amount (including any premium) of the subscription moneys (not being moneys payable later than three months after the date of the allotment) shall be deemed to have been paid up at the date when the underwriting became unconditional; (ii) any companies which since the date of such balance sheet have become or have ceased to be subsidiary undertakings; and (iii) any companies which will become or cease to be subsidiary undertakings as a result of the transaction in relation to which the calculation falls to be made;
- (h) after making an appropriate deduction in respect of any distribution other than to the Company or another subsidiary undertaking out of profits earned prior to the date of such balance sheet and not provided for therein;
- (i) deducting any amounts attributable to goodwill or other intangible assets shown as such in the latest Audited Consolidated Balance Sheet (such as, but not limited to, the present value acquired in-force long term business and present value future margins relating to advances from insurers);
- (j) excluding any amounts set aside for taxation and any amounts attributable to minority interests in subsidiary undertakings;
- (k) deducting a sum equivalent to any debit balance on profit and loss account; ~~and~~
- (l) after making such other adjustments (if any) as the directors may consider appropriate; and
- (m) excluding the effect on the reserves of the Company of any retirement benefits scheme surplus or deficit which would otherwise be reflected in accordance with any applicable accounting standard; and

**Sterling** means the lawful currency of the United Kingdom and the certificate of the auditors as to any relevant rate of exchange shall be conclusive and binding.

#### GRATUITIES, PENSIONS AND INSURANCE

Gratuities and pensions

165. ~~166.~~ Without prejudice to the general powers conferred by Article ~~129~~128 and so as not to limit or restrict those powers, the board may, subject to such conditions as they may determine (by establishment of, or maintenance of, schemes or otherwise) establish and support or aid in the establishment of such associations, institutions, clubs, trusts, funds or provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present director or employee or ex-employee of

the Company or any of its subsidiary undertakings or any body corporate associated with, or any business acquired by, any of them, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

**Insurance**

166. ~~167.~~ Without prejudice to the provisions of Article ~~219,218~~, the board may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any person who is or was:

- (a) a director, officer, or employee of the Company, or any body which is or was the holding company or subsidiary undertaking of the Company, or in which the Company or such holding company or subsidiary undertaking has or had any interest (whether direct or indirect) or with which the Company or such holding company or subsidiary undertaking is or was in any way allied or associated; or
- (b) a trustee of any pension fund in which employees of the Company or any other body referred to in Article ~~167~~166(a) is or has been interested,

including without limitation insurance against any liability incurred by such person in respect of any act or omission in the actual or purported execution or discharge of his duties or in the exercise or purported exercise of his powers or otherwise in relation to his duties, powers or offices in relation to the relevant body or fund.

**Directors not liable to account**

167. ~~168.~~ No director or former director shall be accountable to the Company or the members for any benefit provided pursuant to Articles ~~166~~165 and ~~167~~166. The receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

**Section 719 of the Act**

168. ~~169.~~ Pursuant to section 719 of the Act, the board is hereby authorised to make such provision as may seem appropriate for the benefit of any persons employed or formerly employed by the Company or any of its subsidiary undertakings in connection with the cessation or the transfer of the whole or part of the undertaking of the Company or any subsidiary undertaking. Any such provision shall be made by a resolution of the board in accordance with section 719 of the Act.

**SECRETARY**

**Appointment and removal of secretary**

169. ~~170.~~ Subject to the provisions of the Companies Acts, the secretary shall be appointed by the board for such term, at such remuneration and on such conditions as it may think fit. Any secretary so appointed may be removed by the board, but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

**MINUTES**

**Minutes required to be kept**

170. ~~171.~~ The board shall cause minutes to be made in books kept for the purpose of:

- (a) all appointments of officers made by the board; and

- (b) all proceedings at meetings of the Company, the holders of any class of shares in the capital of the Company, the board and committees of the board, including the names of the directors present at each such meeting.

Conclusiveness  
of minutes

171. ~~172.~~ Any such minutes, if purporting to be executed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence of the proceedings at the meeting without any further proof of the facts stated in them.

## THE SEAL

Authority  
required for  
execution of  
deed

172. ~~173.~~ The seal shall only be used by the authority of a resolution of the board. The board may determine who shall sign any instrument executed under the seal. If they do not, it shall be signed by at least one director and the secretary or by at least two directors. Any instrument may be executed under the seal by impressing the seal by mechanical means or by printing the seal or a facsimile of it on the instrument or by applying the seal or a facsimile of it by any other means to the instrument. An instrument executed, with the authority of a resolution of the board, by a director and the secretary or by two directors and expressed (in whatever form of words) to be executed by the Company has the same effect as if executed under the seal. For the purpose of the preceding sentence only, “secretary” shall have the same meaning as in the Act and not the meaning given to it by Article 2.

Certificates for  
shares and  
debentures

173. ~~174.~~ The board may by resolution determine either generally or in any particular case that any certificate for shares or debentures or representing any other form of security may have any signature affixed to it by some mechanical or electronic means, or printed on it or, in the case of a certificate executed under the seal, need not bear any signature.

Official seal for  
use abroad

174. ~~175.~~ The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad and such power shall be vested in the board.

## REGISTERS

Overseas and  
local registers

175. ~~176.~~ Subject to the provisions of the Companies Acts and the Regulations, the Company may keep an overseas or local or other register in any place, and the board may make, amend and revoke any regulations it thinks fit about the keeping of that register.

Authentication  
and certification  
of copies and  
extracts

176. ~~177.~~ Any director or the secretary or any other person appointed by the board for the purpose shall have power to authenticate and certify as true copies of and extracts from:

- (a) any document comprising or affecting the constitution of the Company, whether in physical form or electronic form;
- (b) any resolution passed by the Company, the holders of any class of shares in the capital of the Company, the board or any committee of the board, whether in physical form or electronic form; and

- (c) any book, record and document relating to the business of the Company, whether in physical form or electronic form (including without limitation the accounts).

If certified in this way, a document purporting to be a copy of a resolution, or the minutes or an extract from the minutes of a meeting of the Company, the holders of any class of shares in the capital of the Company, the board or a committee of the board, whether in physical form or electronic form, shall be conclusive evidence in favour of all persons dealing with the Company in reliance on it or them that the resolution was duly passed or that the minutes are, or the extract from the minutes is, a true and accurate record of proceedings at a duly constituted meeting.

## DIVIDENDS

### Payment of dividends

177. ~~178.~~ Subject to the provisions of the Companies Acts, the members of the Company may declare a final dividend in accordance with the respective rights of the members by passing an ordinary resolution at a general meeting of the Company. No such dividend may exceed the amount recommended by the directors.

~~178.~~177A. The directors may at any time and in accordance with the Companies Acts (i) recommend to the shareholders that a final dividend be declared and recommend the amount of any such dividend and (ii) pay a distribution by way of an interim dividend out of the profits of the Company. No such recommendation shall be made or interim dividend paid unless it appears to the directors to be justified by the position of the Company in accordance with the respective rights of the members. If the share capital is divided into different classes, the board may recommend that final dividends be declared, or pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The board may also pay at intervals settled by it any dividend payable at a fixed rate if it appears to the board that the profits available for distribution justify payment. If 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 a dividend on any shares having deferred or non-preferred rights.

### Apportionment of dividends

178. ~~179.~~ Except as otherwise provided by the rights attached to shares, all dividends shall be paid according to the amounts paid up on the shares; but no amount paid on a share in advance of the date on which a call is payable shall be treated for the purpose of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is allotted or issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

### Dividends in specie

179. ~~180.~~ The board may at any time and from time to time in its absolute discretion, direct that any dividend may be satisfied wholly or partly by the distribution of assets, including without limitation paid up shares or debentures of another body corporate. The board may make any arrangements it thinks fit to settle any difficulty arising in

connection with the distribution, including without limitation (a) the fixing of the value for distribution of any assets, (b) the payment of cash to any member on the basis of that value in order to adjust the rights of members, and (c) the vesting of any asset in a trustee.

Extra Shares  
instead of cash  
dividend.

180. ~~181.~~ The directors may in their absolute discretion offer to members (excluding any member holding shares as treasury shares) the right to elect to receive additional shares credited as fully paid (*Extra Shares*) instead of cash in respect of any dividend or any part of any dividend announced and payable in accordance with Articles ~~178~~177 and ~~178~~177A subject to the provisions set out below:

- (a) The directors may specify a particular dividend or dividends or may specify all or any dividends to be paid within a specified period.
- (b) The entitlement of each member to Extra Shares shall be such that the value (calculated in accordance with sub-article (c)) of each Extra Share shall be as nearly as possible equal to (but not greater than) the cash amount that the member would have received by way of dividend. No fraction of a share shall be allotted and the directors may make such provision as they think fit for any fractional entitlements including provision:
  - (i) for the whole or part of the benefit of fractional entitlements to be disregarded or to accrue to the Company; or
  - (ii) for the value thereof to be accumulated on behalf of any member, without entitlement to interest and applied subsequently in paying up in full the appropriate number of unissued shares or in payment to such member in cash.
- (c) Extra Shares whensoever allotted shall be allotted at the average of such number of middle market quotations of a share on the London Stock Exchange as the directors may determine (and at such times and by reference to such sources as the directors may determine) during each of at least three consecutive business days determined by the directors on which the shares are quoted ex the relevant dividend.
- (d) The directors, either before or after determining the price and/or basis of allotment, will notify the members in writing of the right of election offered to them and shall send with or following such notice forms of election and specify the procedures to be followed and the place at which the latest date and time by which duly completed forms of election must be received in order to be effective. The directors may permit members to make an election under this Article for more than one dividend.
- (e) The dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised (the *Elected Shares*), and in lieu thereof Extra Shares shall be allotted to the holders of the Elected Shares on the basis of allotment determined as aforesaid and for such purpose the directors shall capitalise, out of such of the sums standing to the credit of reserves (including

any share premium account or capital redemption reserve fund) or profit and loss account as the directors may determine a sum equal to the aggregate nominal amount of additional shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the Elected Shares on such basis.

- (f) The directors may on any occasion determine that rights of election shall not extend to any members either where the directors believe that the extension of that right may or would involve the contravention of the laws of any territory or for any other reason that the directors consider in their absolute discretion appropriate and in such event the foregoing provisions of this Article shall be read and construed subject to such determination.
- (g) The Extra Shares when allotted shall rank *pari passu* in all respects with the fully paid shares then in issue except that they will not be entitled to participate in the relevant dividend or share election in lieu.

**Permitted deductions and retentions**

181. ~~182.~~ The board may deduct from any dividend or other moneys payable to any member in respect of a share any moneys presently payable by him to the Company in respect of that share. Where a person is entitled by transmission to a share, the board may retain any dividend payable in respect of that share until that person (or that person's transferee) becomes the holder of that share.

**Procedure for payment to holders and others entitled**

182. ~~183.~~ Any dividend or other moneys payable in respect of a share may be paid:

- (a) in cash; or
- (b) by cheque or warrant made payable to or to the order of the holder or person entitled to payment; or
- (c) by any direct debit, bank or other funds transfer system to the holder or person entitled to payment or, if practicable, to a person designated by notice to the Company by the holder or person entitled to payment;
- (d) in respect of an uncertificated share by means of the relevant system (subject to the facilities and requirements of the relevant system); or
- (e) by any other method approved by the board and agreed (in such form as the Company thinks appropriate) by the holder or person entitled to payment.

**Joint entitlement**

183. ~~184.~~ If two or more persons are registered as joint holders of any share, or are entitled by transmission jointly to a share, the Company may:

- (a) pay any dividend or other moneys payable in respect of the share to any one of them and any one of them may give effectual receipt for that payment; and
- (b) for the purpose of Article ~~183,~~182, rely in relation to the share on the written direction, designation or agreement of, or notice to the Company by, any one of them.

Payment by post 184. ~~185.~~ A cheque or warrant may be sent by post:

- (a) where a share is held by a sole holder, to the registered address of the holder of the share; or
- (b) if two or more persons are the holders, to the registered address of either person who is named in the register; or
- (c) if a person is entitled by transmission to the share, as if it were a notice to be sent under Article ~~204~~203; or
- (d) in any case, to such person and to such address as the person entitled to payment may direct by notice to the Company.

Discharge to Company and risk

185. ~~186.~~ Payment of a cheque or warrant by the bank on which it was drawn or the transfer of funds by the bank instructed to make the transfer or, in respect of an uncertificated share, the making of payment in accordance with the facilities and requirements of the relevant system (which, if the relevant system is CREST, may be the creation of an assured payment obligation in respect of the dividend or other moneys payable in favour of the settlement bank of the member or other person concerned) shall be a good discharge to the Company. Every cheque or warrant sent in accordance with these Articles shall be at the risk of the holder or person entitled. The Company shall have no responsibility for any sums lost or delayed in the course of payment by any other method used by the Company in accordance with Article ~~183.~~182.

Interest not payable

186. ~~187.~~ No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

Forfeiture of unclaimed dividends

187. ~~188.~~ Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the board so resolves, be forfeited and cease to remain due for payment by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect of it. The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if those instruments have been returned undelivered to, or left uncashed by, that member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the member's new address. The entitlement conferred on the Company by this Article in respect of any member shall cease if the member claims a dividend or cashes a dividend warrant or cheque.

## CAPITALISATION OF PROFITS AND RESERVES

Power to transfer profits to reserves

188. ~~189.~~ The directors may before making any such distribution out of the profits of the Company under Articles ~~178~~177 and ~~178~~177A deduct and set aside such sum or sums as they may think fit as a reserve or reserves which shall at the discretion of the directors 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 be invested or

employed in the business of the Company as the directors may decide. The directors may also without placing the same to any reserve carry forward any profits which they may think it prudent to carry forward.

Power to  
capitalise

189. ~~190.~~—The board may with the authority of an ordinary resolution of the Company:

- (a) subject to the provisions of this Article, resolve to capitalise any undistributed profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or other fund, including without limitation the Company's share premium account and capital redemption reserve, if any;
- (b) appropriate the sum resolved to be capitalised to the members or any class of members on the record date specified in the relevant resolution who would have been entitled to it if it were distributed by way of dividend and in the same proportions;
- (c) apply that 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 paying up in full unissued shares, debentures or other obligations of the Company of a nominal amount equal to that sum but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to members credited as fully paid and where the amount capitalised is applied in paying up in full unissued shares, the Company will also be entitled to participate in the relevant distribution in relation to any shares of the relevant class held by it as treasury shares and the proportionate entitlement of the relevant class of members to the distribution will be calculated accordingly;
- (d) allot the shares, debentures or other obligations credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other;
- (e) where shares or debentures become, or would otherwise become, distributable under this Article in fractions, make such provision as they think fit for any fractional entitlements including without limitation authorising their sale and transfer to any person, resolving that the distribution be made as nearly as practicable in the correct proportion but not exactly so, ignoring fractions altogether or resolving that cash payments be made to any members in order to adjust the rights of all parties;
- (f) authorise any person to enter into an agreement with the Company on behalf of all the members concerned providing for either:
  - (i) the allotment to the members respectively, credited as fully paid, of any shares, debentures or other obligations to which they are entitled on the capitalisation; or

- (ii) the payment up by the Company on behalf of the members of the amounts, or any part of the amounts, remaining unpaid on their existing shares by the application of their respective proportions of the sum resolved to be capitalised,

and any agreement made under that authority shall be binding on all such members; and

- (g) generally do all acts and things required to give effect to the ordinary resolution.

#### RECORD DATES

Record dates for dividends etc.

190. ~~191.~~ Notwithstanding any other provision of these Articles, the Company or the board may:

- (a) fix any date as the record date for any dividend, distribution, allotment or issue, which may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is recommended, paid or made;
- (b) for the purpose of determining which persons are entitled to attend and vote at a general meeting of the Company, or a separate general meeting of the holders of any class of shares in the capital of the Company, and how many votes such persons may cast, specify in the notice of meeting a time, not more than 48 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 to the register after the time specified by virtue of this Article ~~191~~190(b) shall be disregarded in determining the rights of any person to attend or vote at the meeting; and
- (c) for the purpose of sending notices of general meetings of the Company, or separate general meetings of the holders of any class of shares in the capital of the Company, under these Articles, determine that persons entitled to receive such notices are those persons entered on the register at the close of business on a day determined by the Company or the board, which day may not be more than 21 days before the day that notices of the meeting are sent.

#### ACCOUNTS

Rights to inspect records

191. ~~192.~~ No member shall (as such) have any right to inspect any accounting records or other book or document of the Company except as conferred by statute or authorised by the board or by ordinary resolution of the Company or order of a court of competent jurisdiction.

Sending of annual accounts

192. ~~193.~~ Subject to the Companies Acts, a copy of the Company's annual accounts, together with a copy of the directors' report for that financial year and the auditors' report on those accounts shall, at least 21 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the provisions of the Companies Acts, be sent to every member and to every holder of the Company's debentures of whose address the Company is aware, and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the

Companies Acts or of these Articles or, in the case of joint holders of any share or debenture, to one of the joint holders save as aforesaid no member shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or by judicial process or as the board may authorise.

**Summary financial statements**

193. ~~194.~~ Subject to the Companies Acts, the requirements of Article ~~193~~192 shall be deemed satisfied in relation to any person by sending to the person, instead of such copies, a summary financial statement derived from the Company's annual accounts and the directors' report, which shall be in the form and containing the information prescribed by the Companies Acts and any regulations made under the Companies Acts.

## NOTICES

**When notice required to be in writing; use of electronic communications**

194. ~~195.~~ Any notice to be sent to or by any person pursuant to these Articles (other than a notice calling a meeting of the board) shall be in writing. Any such notice may be sent using electronic communications to such address (if any) for the time being notified for that purpose to the person sending the notice by or on behalf of the person to whom the notice is sent.

**Methods of Company sending notice**

195. ~~196.~~ The Company shall send any notice or other document pursuant to these Articles to a member by whichever of the following methods it may in its absolute discretion determine:

- (a) personally; or
- (b) by posting the notice or other document in a prepaid envelope addressed, in the case of a member, to his registered address, or in any other case, to the person's usual address; or
- (c) by leaving the notice or other document at that address; or
- (d) by sending the notice or other document using electronic communications to such address (if any) for the time being notified to the Company by or on behalf of the member for that purpose; or
- (e) in accordance with Article ~~197~~196; or
- (f) by any other method approved by the board.

**Website publication by Company**

196. ~~197.~~ Subject to the Companies Acts, the Company may also send any notice or other document pursuant to these Articles to a member by publishing that notice or other document on a website where:

- (a) the Company and the member have agreed to him having access to the notice or document on a website (instead of it being sent to him);
- (b) the notice or document is one to which that agreement applies;
- (c) the member is notified, in a manner for the time being agreed between him and the Company for the purpose, of:

- (i) the publication of the notice or document on a website;
  - (ii) the address of that website; and
  - (iii) the place on that website where the notice or document may be accessed, and how it may be accessed; and
- (d) the notice or document is published on that website throughout the publication period, provided that, if the notice or document is published on that website for a part, but not all of, the publication period, the notice or document shall be treated as being published throughout that period if the failure to publish that notice or document throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

197. ~~198.~~ In Article ~~197~~196 *publication period* means:

- (a) in the case of a notice of an adjourned meeting pursuant to Article 80, a period of not less than seven clear days before the date of the adjourned meeting, beginning on the day following that on which the notification referred to in sub-paragraph (c) above is sent or (if later) is deemed sent;
- (b) in the case of a notice of a poll pursuant to Article 88, a period of not less than seven clear days before the taking of the poll, beginning on the day following that on which the notification referred to in sub-paragraph (c) above is sent or (if later) is deemed sent; and
- (c) in any other case, a period of not less than 21 days, beginning on the day following that on which the notification referred to in sub-paragraph (c) above is sent or (if later) is deemed sent.

Methods of  
member etc.  
sending notice

198. ~~199.~~ Unless otherwise provided by these Articles, a member or a person entitled by transmission to a share shall send any notice or other document pursuant to these Articles to the Company by whichever of the following methods he may in his absolute discretion determine:

- (a) by posting the notice or other document in a prepaid envelope addressed to the office; or
- (b) by leaving the notice or other document at the office; or
- (c) by sending the notice or other document using electronic communications to such address (if any) for the time being notified by or on behalf of the Company for that purpose.

Notice to joint  
holders

199. ~~200.~~ In the case of joint holders of a share, all notices or other documents shall be sent to the joint holder whose name stands first in the register in respect of the joint holding. Any notice or other document so sent shall be deemed for all purposes sent to all the joint holders.

Registered  
address outside  
UK

200. ~~201.~~ A member whose registered address is not within the United Kingdom, Channel Islands or the Isle of Man and who sends to the Company an address within the United Kingdom, Channel Islands or the Isle of Man at which a notice or other document may be sent to him by instrument or an address to which a notice or other document may be sent using electronic communications shall (provided that, in the case of electronic communications, the Company so agrees) be entitled to have notices or other documents sent to him at that address but otherwise:

- (a) no such member shall be entitled to receive any notice or other document from the Company; and
- (b) without prejudice to the generality of the foregoing, any notice of a general meeting of the Company which is in fact sent or purports to be sent to such member shall be ignored for the purpose of determining the validity of the proceedings at such general meeting.

Deemed receipt  
of notice

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

Terms and  
conditions for  
electronic  
communications

202. ~~203.~~ The board may from time to time issue, endorse or adopt terms and conditions relating to the use of electronic communications for the sending of notices, other documents and proxy appointments by the Company to members or persons entitled by transmission and by members or persons entitled by transmission to the Company.

Notice to  
persons entitled  
by transmission

203. ~~204.~~ A notice or other document may be sent by the Company to the person or persons entitled by transmission to a share by sending it in any manner the Company may choose authorised by these Articles for the sending of a notice or other document to a member, addressed to them by name, or by the title of representative of the deceased, or trustee of the bankrupt or by any similar description at the address (if any) in the United Kingdom as may be supplied for that purpose by or on behalf of the person or persons claiming to be so entitled. Until such an address has been supplied, a notice or other document may be sent in any manner in which it might have been sent if the death or bankruptcy or other event giving rise to the transmission had not occurred.

Transferees etc.  
bound by prior  
notice

204. ~~205.~~ 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 sent to a person from whom he derives his title, provided that no person who becomes entitled by transmission to a share shall be bound by any direction notice sent under Article ~~106~~105 to a person from whom he derives his title.

Proof of  
sending/when  
notices etc.  
deemed sent by  
post

205. ~~206.~~ Proof that an envelope containing a notice or other document was properly addressed, prepaid and posted shall be conclusive evidence that the notice or document was sent. Proof that a notice or other document contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators current at the date of adoption of these Articles, or, if the board so resolves, any subsequent guidance so issued, shall be

conclusive evidence that the notice or document was sent. A notice or other document sent by the Company to a member by post shall be deemed to be sent:

- (a) if sent by first class post or special delivery post from an address in the United Kingdom to another address in the United Kingdom, the Channel Islands or the Isle of Man, or by a postal service similar to first class post or special delivery post from an address in another country to another address in that other country, on the day following that on which the envelope containing it was posted;
- (b) if sent by airmail from an address in the United Kingdom to an address outside the United Kingdom, or from an address in another country to an address outside that country (including without limitation an address in the United Kingdom), on the third day following that on which the envelope containing it was posted;
- (c) in any other case, on the second day following that on which the envelope containing it was posted.

**When notices etc deemed sent by electronic communication** 206. ~~207.~~ A notice or other document sent by the Company to a member contained in an electronic communication shall be deemed sent to the member on the day following that on which the electronic communication was sent to the member. Such a notice or other document shall be deemed sent by the Company to the member on that day notwithstanding that the Company becomes aware that the member has failed to receive the relevant notice or other document for any reason and notwithstanding that the Company subsequently sends a copy of such notice or other document by post to the member.

**Notice includes website notification** 207. ~~208.~~ Except when the subject or context otherwise requires, in Articles ~~196, 195, 198,~~ 199, 200, 201, 202, 203, 204, ~~205, 206~~ 205 and ~~207, 206~~ references to a notice include without limitation references to any notification required by the Companies Acts or these Articles in relation to the publication of any notices or other documents on a website.

**Notice during disruption of services** 208. ~~209.~~ If at any time the Company is unable effectively to convene a general meeting by notices sent through the post in the United Kingdom as a result of the suspension or curtailment of postal services, notice of general meeting may be sufficiently given by advertisement in the United Kingdom. Any notice given by advertisement for the purpose of this Article shall be advertised in at least one newspaper having a national circulation. If advertised in more than one newspaper, the advertisements shall appear on the same date. Such notice shall be deemed to have been sent to all persons who are entitled to have notice of meetings sent to them on the day when the advertisement appears. In any such case, the Company shall send confirmatory copies of the notice by post, if at least seven days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

**Untraced members: notices** 209. ~~210.~~ If on three consecutive occasions notices sent through the post to any member at his registered address or his address for the service of notices have been returned undelivered, or if, after any one such occasion, the board or any committee authorised by the board on their behalf are of the opinion, after making all reasonable

enquiries, that any further notices to such member would, if sent as aforesaid, likewise be returned undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company in respect of his shares and supplied in writing to the transfer office a new registered address or address within the United Kingdom, Channel Islands or the Isle of Man for the service of notices.

#### DESTRUCTION OF DOCUMENTS

Power of  
Company to  
destroy  
documents

210. ~~211.~~ The Company shall be entitled to destroy:

- (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entry is made in the register, at any time after the expiration of six years from the date of registration;
- (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address at any time after the expiration of two years from the date of recording;
- (c) all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation;
- (d) all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment;
- (e) 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; and
- (f) 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.

Presumption in  
relation to  
destroyed  
documents

211. ~~212.~~ It shall conclusively be presumed in favour of the Company that:

- (a) every entry in the register purporting to have been made on the basis of an instrument of transfer or other document destroyed in accordance with Article ~~211~~210 was duly and properly made;
- (b) every instrument of transfer destroyed in accordance with Article ~~211~~210 was a valid and effective instrument duly and properly registered;
- (c) every share certificate destroyed in accordance with Article ~~211~~210 was a valid and effective certificate duly and properly cancelled; and
- (d) every other document destroyed in accordance with Article ~~211~~210 was a valid and effective document in accordance with its recorded particulars in the books or records of the Company,

but:

- (e) the provisions of this Article and Article ~~211~~210 apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties) to which the document might be relevant;
- (f) nothing in this Article or Article ~~211~~210 shall be construed as imposing on the Company any liability in respect of the destruction of any document earlier than the time specified in Article ~~211~~210 or in any other circumstances which would not attach to the Company in the absence of this Article or Article ~~211~~210; and
- (g) any reference in this Article or Article ~~211~~210 to the destruction of any document includes a reference to its disposal in any manner.

#### UNTRACED SHAREHOLDERS

Power to dispose of shares of untraced shareholders

212. ~~213.~~ The Company shall be entitled to sell, at the best price reasonably obtainable, the shares of a member or the shares to which a person is entitled by transmission if:

- (a) during the period of 12 years before the date of the publication of the advertisements referred to in Article ~~213~~212(b) (or, if published on different dates, the first date) (the *relevant period*) at least three dividends in respect of the shares in question have become due for payment and all dividend warrants and cheques which have been sent in the manner authorised by these Articles in respect of the shares in question have remained uncashed;
- (b) the Company shall as soon as practicable after expiry of the relevant period have inserted advertisements both in a national daily newspaper and in a newspaper circulating in the area of the last known address of such member or other person giving notice of its intention to sell the shares;
- (c) during the relevant period and the period of three months following the publication of the advertisements referred to in Article ~~213~~212(b) (or, if published on different dates, the first date) the Company has received no indication either of the whereabouts or of the existence of such member or person; and
- (d) if the shares are listed, notice has been sent to the relevant listing authority of the Company's intention to make such sale before the publication of the advertisements.

Transfer on sale

213. ~~214.~~ To give effect to any sale pursuant to Article ~~213~~212, the board may:

- (a) where the shares are held in certificated form, authorise any person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the buyer; or
- (b) where the shares are held in uncertificated form, do all acts and things it considers necessary or expedient to effect the transfer of the shares to, or in accordance with the directions of, the buyer.

Effectiveness of transfer

214. ~~215.~~ An instrument of transfer executed by that person in accordance with Article ~~214~~213(a) shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. An exercise by the Company of its powers in accordance with Article ~~214~~213(b) shall be as effective as if exercised by the registered holder of or person entitled by transmission to the shares. The transferee shall not be bound to see to the application of the purchase money, and his title to the shares shall not be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

Proceeds of sale

215. ~~216.~~ The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled for an amount equal to the proceeds. The Company shall enter the name of such former member or other person in the books of the Company as a creditor for that amount. In relation to the debt, no trust is created and no interest is payable. The Company shall not be required to account for any money earned on the net proceeds of sale, which may be used in the Company's business or invested in such a way as the board from time to time thinks fit.

## WINDING UP

Liquidator may distribute in specie

216. ~~217.~~ If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Insolvency Act 1986:

- (a) divide among the members (excluding any member holding shares as treasury shares) in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members;
- (b) vest the whole or any part of the assets in trustees for the benefit of the members; and
- (c) determine the scope and terms of those trusts,

but no member shall be compelled to accept any asset on which there is a liability.

Disposal of assets by liquidator

217. ~~218.~~ The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures or other obligations of another body corporate, either then already constituted or about to be constituted for the purpose of carrying out the sale.

## INDEMNITY

Indemnity to directors and officers

218. ~~219.~~ Subject to the provisions of the Companies Acts but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer and every employee of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which

relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

<b>Name and address of subscriber</b>	<b>Number of shares taken</b>
Ronald Hugh Owen	1
The Rt. Hon. James Edward Ramsden	1
The Rt. Hon. Leslie Kenneth Baron O'Brien of Lothbury	1
Angus Fraser Murray	1
John Anthony Tristram Barston	1
The Rt. Hon. Leonard Robert Lord Carr of Hadley	1
Harry Gordon Clarke	1
	<b>Total shares taken</b>
	7

Dated: 27 September 1978

Witness to the above signatures:

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