

**THE COMPANIES (GUERNSEY) LAW 2008, AS AMENDED**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF INCORPORATION**

**of**

**~~OBTALA RESOURCES~~ WOODBOIS LIMITED**  
**(formerly, OBTALA RESOURCES LIMITED)**

Registered on 20 July 2010  
Company Registration No: 52184

New Articles of Incorporation adopted by Special Resolution on ~~5 August 2010~~ [\[.\] 2020](#)

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(formerly, OBTALA RESOURCES LIMITED)

**Interpretation**

1.1 In these Articles, if not inconsistent with the subject or context, the following words and expressions shall have the meanings stated:

“acting in concert” has the meaning given to it in the City Code, and for the avoidance of doubt includes the concert party deemed to exist by the Takeover Panel in respect of the original holders of the 4% convertible bonds issued by the Company in October 2019.

**“Admission”** the admission of shares in the Company to trading on Relevant Exchange.

“Affiliate” means in relation to a non-voting right ordinary shareholder:

(i) any person that directly or indirectly controls, is controlled by, or is under common control of the non-voting right ordinary shareholder (but excluding the Company and any person or entity controlled by the Company);

(ii) any person holding shares as nominee for the non-voting right ordinary shareholder (but only in relation to the shares so held); and

(iii) any person holding shares which represent an identifiable, distinct partnership interest of the non-voting right ordinary shareholder (but only in relation to the shares so held),

and, for the purposes of this definition, “control”, when used with respect to any person, means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by

contract or otherwise (and "controlled" shall be construed accordingly).

<b>“Articles”</b>	these articles of incorporation of the Company as from time to time altered.
<b>“AIM”</b>	the AIM market operated by the London Stock Exchange.
<b>“Approved Operator”</b>	The official operator of an Uncertificated System.
<b>“Auditors”</b>	the auditors of the Company.
<b>“Board” or “Directors”</b>	the directors of the Company or a quorum of the directors present at a board meeting.
<b>“Certificated”</b>	A unit in a Guernsey security which is not Uncertificated and reference to such security being held in certificated form should be construed accordingly.

“City Code” means the UK City Code on Takeovers and Mergers as published by the Takeover Panel (as amended from time to time).

<b>“Companies Law”</b>	the Companies (Guernsey) Law, 2008 as amended.
<b>“Certificated”</b>	a unit in a security which is not Uncertificated and which is recorded in the register of members of the Company as being held in certificated form.
<b>“CREST Guernsey Requirements”</b>	CREST Rule 8 and such other of the rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the CREST Manual.
<b>“CREST Manual”</b>	the document entitled “CREST Reference Manual” issued by Euroclear.
<b>“CREST Rules”</b>	the Rules from time to time issued by Euroclear governing the admission of securities to and the operation of the CREST UK system.
<b>“CREST UK system”</b>	the facilities and procedures for the time being of the system of which Euroclear has been approved as Approved Operator pursuant to the UK Uncertificated Securities Regulations 2001.
<b>“dematerialised instruction”</b>	an instruction sent or received by means of CREST UK system.
<b>“Electronic Communications”</b>	any document “sent in electronic form” (as such term is defined in the Law.

<b>“employee share scheme”</b>	a scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of (a) the bona fide employees or former employees of the Company, the Company’s subsidiary or holding Company, or a subsidiary of the Company’s holding company or (b) the spouses, civil partners, surviving spouses, surviving civil partners or children or step-children under the age of 18 of such employees or former employees.
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of the CREST UK system.
<b>“Group”</b>	in relation to the Company, any subsidiary of the Company, any company of which it is a subsidiary (its holding company) and any other subsidiaries of any such holding company. <a href="#"><u>For the avoidance of doubt, and for the purpose of section 531 of the Companies Law, a holding company or a subsidiary of the Company includes an overseas company.</u></a>
<b>“Information Rights”</b>	the right to receive a copy of all communications (including the Company’s annual accounts and reports) that the Company sends to its members generally or to any class of its members that includes the person making the nomination, and the rights conferred by the Companies Law to require copies of accounts and reports and to require hard copy version of documents or information provided in another form.
<b><u>"Maximum Voting Percentage"</u></b>	<a href="#"><u>means 28% of the ordinary (voting) share capital of the Company.</u></a>
<b>“Nominated Adviser”</b>	a company, acting as an adviser for the Company, that has been approved as a nominated advisor for AIM by the London Stock Exchange.
<b><u>"non-voting right ordinary shares"</u></b>	<a href="#"><u>means the non-voting right ordinary shares of £0.01 each in the capital of the Company.</u></a>
<b><u>"non-voting right ordinary shareholder"</u></b>	<a href="#"><u>means a holder of non-voting right ordinary shares.</u></a>
<b>“Office”</b>	the registered office of the Company.
<b>“Official list”</b>	the Official List of the UK Listing Authority.
<b>“Prescribed Period”</b>	relates to the power of the Directors to required disclosure under articles 90 to 104 and means 14 days.

<b>“Relevant Exchange”</b>	any stock exchange or market on which shares may be listed and/or traded and which, for the avoidance of doubt, includes AIM.
<b>“Seal”</b>	the common seal of the Company and, as appropriate, any official seal kept by the Company as may be permitted under the Laws.
<b>“special resolution”</b>	has the meaning given in section 178 of the Companies Law.
<b>“Sponsor”</b>	a company, person or firm admitted by Euroclear to act as Sponsor under the CREST Rules.
<b>“Statutes”</b>	the Companies Law and every other act or statutory instrument concerning limited companies and affecting the Company
<b><u>“Takeover Panel”</u></b>	<u>means the UK Panel on Takeovers and Mergers.</u>
<b>“Uncertificated”</b>	A unit of a security, title to which is recorded on the relevant register of securities as being held in uncertificated form, and title to which may be transferred by means of any Uncertificated System.
<b>“Uncertificated System”</b>	the CREST UK system or any other transfer, settlement and clearing system for shares approved by the Directors from time to time.
<b>“United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland.
<b>“UK Listing Authority”</b>	means the Financial Services Authority of the United Kingdom, acting in its capacity for the purposes of the Financial Services and Markets Act 2000 or any successor thereof.
<b>“in writing”</b>	written, printed, typewritten, lithographed or expressed in any other mode representing or reproducing words, or partly one and partly another and including being sent or supplied by Electronic Communication.

1.2 In these Articles:

- 1.2.1 The singular includes the plural and *vice versa*.
- 1.2.2 The masculine includes the feminine.
- 1.2.3 Words importing persons include corporations.
- 1.2.4 Expressions referring to writing include any mode of representing or reproducing words (but only to the extent that (a) the Directors so resolve, either generally or in

relation to particular categories of document, and (b) (the recipient (if not the Company) has requested or agreed) including electronic communication.

- 1.2.5 The headings are inserted for convenience only and shall not affect the interpretation of these Articles.
- 1.2.6 The word “**may**” shall be construed as permissive and the word “**shall**” shall be construed as imperative.
- 1.2.7 The expression “**officer**” shall include a Director, manager and the Secretary, but shall not include an auditor.
- 1.2.8 The expression “**subsidiary**” or “**holding company**” shall have the meaning given in the Companies Law, except that a holding company or a subsidiary of the Company includes an overseas company.
- 1.2.9 The expression “**address**” shall include, in relation to electronic communication, any number or address used for the purposes of such communication.
- 1.2.10 Where these Articles impose an obligation on a member, such article shall not apply to the Approved Operator.
- 1.2.11 References to enactments in any jurisdiction shall include references to any modifications or re-enactments thereof for the time being in force.
- 1.2.12 Subject to the above, any words defined in the Companies Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

#### **Standard Articles not to apply**

- 2 The standard articles prescribed by the States of Guernsey Commerce and Employment Department pursuant to section 16(2) of the Companies Law shall not apply to the Company.

#### **Business**

- 3 Any branch or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Directors at such times as they think fit, and may be permitted by them to be in abeyance, whether the branch or kind of business commenced or not, so long as the Directors deem it expedient not to commence or proceed with it.

#### **Capital**

- 4 Subject to the provisions of the Companies Law and these Articles, on such terms and conditions as it sees fit, the Board may:
  - 4.1 exercise the power of the Company to issue shares or grant rights to subscribe for, or convert any security into shares, in accordance with ~~section 292~~ the provisions of the Companies Law provided that the Board may not issue shares at a discount;
  - 4.2 issue shares of different types within the meaning of section 277 of the Companies Law or shares of different classes, and the creation or issuance of any such shares or any additional shares ranking equally with an existing type of class of share is deemed not to vary the rights of any existing member;
  - 4.3 subject to sections 342 and 348 of the Companies Law and articles 7 and 53, convert all or any

classes of its shares into redeemable shares;

- 4.4 issue shares which have a nominal or par value;
  - 4.5 issue shares of no par value;
  - 4.6 issue any number of shares they see fit;
  - 4.7 issue fractions of a share within the meaning of section 280 of the Companies Law;
  - 4.8 make arrangements on the issue of shares to distinguish between shareholders as to the amounts and times of payments of calls on their shares;
  - 4.9 pay commissions in such manner and in such amounts as the Board may determine.
- 5 Subject to articles 8 and 9, where the Company has issued only a single class of shares the board may issue shares in accordance with ~~section 293 of~~ the Companies Law.
- 6 The Company may hold treasury shares in accordance with the provisions of the Companies Law.

#### **Modification of rights**

- 7 Whenever the capital of the Company is divided into different classes of shares or groups, the special rights attached to any class or group may be modified or abrogated, unless otherwise provided by the terms of issue of the shares of that class or group, either with the consent in writing of the holders of at least 75% in value of the issued shares of the class or group (excluding any shares held as treasury shares), or with the sanction of a special resolution passed at a separate general meeting of the holders of that class or group (but not otherwise). The consent or resolution shall be binding upon all the holders of shares of the class or group. To every separate general meeting all the provisions of these Articles relating to, or to the proceedings at, general meetings shall, mutatis mutandis, apply, except that (a) the necessary quorum shall be two persons at least holding or representing by proxy one-third of the voting rights of the issued shares of the class or group (but, if at any adjourned meeting of the holders a quorum as above defined is not present, those members who are present shall be a quorum); (b) any holder of shares in the class or group present in person or by proxy may demand a poll; and (c) the holders of shares of the class or group shall, on a poll, have one vote in respect of every share of the class or group held by them respectively. The special rights conferred upon the holders of any shares or class or group of shares issued with preferred or other rights shall not, unless otherwise expressly provided by the conditions of issue, be deemed to be modified by the creation or issue of further shares ranking *pari passu* with them.

#### **NON-VOTING RIGHT ORDINARY SHARES**

##### **7A Rights attaching to the non-voting right ordinary shares**

- (1) Except as set out below, the non-voting right ordinary shares rank *pari passu* with the ordinary shares (and any other non-voting right ordinary shares issued on substantially equivalent terms to the non-voting right ordinary shares) in all respects and no action may be taken by the Company in relation to, or offer made by the Company to the holders of, the ordinary shares (or any other non-voting right ordinary shares issued on substantially equivalent terms to the non-voting right ordinary shares) unless the same action is taken in respect of, or the same offer is made to the non-voting right ordinary shareholders.

(2) The rights attaching to the non-voting right ordinary shares shall not be, and shall not be deemed to be, varied or abrogated in any way by the creation, allotment or issue of any ordinary shares and the rights attaching to the ordinary shares shall not be, and shall not be deemed to be, varied or abrogated in any way by the creation, allotment or issue of any non-voting right ordinary shares.

#### 7B Voting at general meetings or annual general meetings

A non-voting right ordinary shareholder shall be entitled to receive notice of, and to attend and speak at, any general meeting or annual general meeting of the Company, but shall not be entitled to vote in respect of any non-voting right ordinary shares held.

#### 7C Income

On a dividend and or distribution (whether by cash dividend, dividend in specie, scrip dividend, capitalisation issue or otherwise), the non-voting right ordinary shares shall rank *pari passu* with the rights to dividend and or distributions attaching to the ordinary shares.

#### 7D Capital

On a return of capital, whether on a winding-up or otherwise, the non-voting right ordinary shares shall rank *pari passu* with the rights to the assets of the Company attaching to the ordinary shares.

#### 7E Conversion on transfer

Upon a transfer of non-voting right ordinary shares by any person (the "**Transferor**") to a person who is not a non-voting right ordinary shareholder or an Affiliate of any non-voting right ordinary shareholder or acting in concert with any non-voting right ordinary shareholder (a "**Non-CP Transferee**"), the Non-CP Transferee may elect to convert the non-voting right ordinary shares received by it into ordinary shares if the transferee:

- (a) gives notice in writing to the Company at the time of such transfer confirming that the Non-CP Transferee has elected to convert the number of non-voting right ordinary shares being transferred to it by the Transferor into ordinary shares (subject to article 7H on a one-for-one basis); and
- (b) provides the Company with an original certificate signed by the Transferor and the Non-CP Transferee confirming that the Non-CP Transferee is not an Affiliate of and is not acting in concert with the Transferor,

whereupon the Company (or its registrar) shall register the conversion and the transfer in the register of members of the Company.

#### 7F Conversion at the instance of a non-voting right ordinary shareholder

At any time, a non-voting right ordinary shareholder shall be entitled (but shall not be bound) to require the Company to convert non-voting right ordinary shares held by such non-voting right ordinary shareholder (or its Affiliate) into ordinary shares (subject to article 7H on a one-for-one basis), so long as such conversion does not result in the non-voting right ordinary shareholder's voting shareholding together with the voting shareholding of each Affiliate and/or persons acting in concert with it, being more than the Maximum Voting Percentage and subject to receipt by the Company of an original certificate signed by the relevant non-voting right ordinary shareholder confirming that its voting shareholding, together with the

voting shareholding of any Affiliate and/or persons acting in concert with it, immediately following such conversion, will not be more than the Maximum Voting Percentage.

#### 7G Admission

- (1) If any non-voting right ordinary shares fall due for conversion, the Company shall register such conversion and apply for the ordinary shares arising from such conversion to be admitted to trading on AIM within 3 Business Days following receipt of a valid notice of conversion and supporting certificate, and following such application use best endeavours to procure that the ordinary shares are admitted to AIM.
- (2) No admission to listing or admission to trading shall be sought for the non-voting right ordinary shares whilst they remain non-voting right ordinary shares.

#### 7H Consolidation, Sub-Division or Reduction

In the event of a consolidation, sub-division or reduction of the ordinary share capital or the non-voting right ordinary share capital, the conversion ratio shall be adjusted to such extent (if any) as the auditors for the time being of the Company certify in writing to the Company to be in their opinion fair and reasonable in consequence of such event.

### **Shares, Allotment and Pre-emption Rights**

#### 8 *Authority to Allot*

In this article 8 and in article 9:

8.1 "equity securities" means:

8.1.1 shares in the Company, or

8.1.2 rights to subscribe for, or to convert securities into, shares in the Company;

8.2 references to the allotment of equity securities include:

8.2.1 the grant of a right to subscribe for, or to convert any securities into, shares in the Company; and

8.2.2 the sale of shares in the Company that immediately before the sale are held by the Company as treasury shares.

8.3 The Directors shall not exercise any power of the Company to allot equity securities, unless they are, in accordance with this article 8, authorised to do so by the passing of an ordinary resolution by the Company in general meeting.

8.4 Authority under this article 8 may be given for a particular exercise of the power or for its exercise generally, and may be unconditional or subject to conditions.

8.5 The authority must state the maximum amount of equity securities that may be allotted under it and the date on which it will expire, which must be not more than 5 years from the date on which the resolution is passed by virtue of which the authority is given but such an authority may be previously revoked or varied by the Company in general meeting.

- 8.6 The authority may be renewed or further renewed by the Company in general meeting for a further period not exceeding 5 years; but the resolution must state (or restate) the amount of equity securities which may be allotted under the authority or, as the case may be, the amount remaining to be allotted under it, and must specify the date on which the renewed authority will expire.
- 8.7 In relation to authority under this article for the grant of such rights as are mentioned in article 8.1.2, the reference in article 8.5 (as also the corresponding reference in article 8.6) to the maximum amount of equity securities that may be allotted under the authority is to the maximum amount of shares which may be allotted pursuant to the rights.
- 8.8 ~~The Directors may~~ Where an authorisation to issue or allot equity securities or grant rights to subscribe for or to convert any security into shares specifies and expires on any date, event or circumstance, the Directors may issue and allot equity securities, or grant rights to subscribe for or to convert any security into shares, notwithstanding that authority ~~under this article~~ has expired, if ~~they~~ the equity securities are issued or allotted or the rights are granted in pursuance of an offer or agreement made by the Company before the authority expired and the authority allowed ~~it~~ the Company to make an offer or agreement which would or might require equity securities to be issued or allotted, ~~or rights to be granted,~~ after the authority had expired.
- 8.9 Nothing in this article 8 affects the validity of any issuance and allotment.

## 9 *Pre-emption Rights*

In this article 9:

- 9.1 If in accordance with a provision to which article 9.1 applies::
- 9.1.1 the Company makes an offer to allot securities to a shareholder; and
- 9.1.2 he or anyone in whose favour he has renounced his right to their allotment accepts the offer,
- article 9.2 does not apply to the allotment of those securities, and the Company may allot them accordingly; but this is without prejudice to the application of article 9.2 in any other case.
- 9.2 Subject to the provisions of this article 9, the Company shall not allot equity securities to a person on any terms unless:
- 9.2.1 it has made an offer to each person who holds shares to allot to him on the same or more favourable terms a proportion of those securities which is as nearly as practicable equal to the proportion in nominal value held by him of the aggregate of shares; and
- 9.2.2 the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.
- 9.3 Securities that the Company has offered to allot to a holder of shares may be allotted to him, or anyone in whose favour he has renounced his right to their allotment, without contravening article 9.2 and article 9.2 will not apply in relation to the allotment of shares in pursuance of that right.
- 9.4 Article 9 does not apply to a particular allotment of equity securities if these are, or are to be, wholly or partly paid up otherwise than in cash; and securities which the Company has offered

to allot to a holder of shares may be allotted to him, or anyone in whose favour he has renounced his right to their allotment, without contravening article 9.2.2.

- 9.5 Article 9.2 does not apply to the allotment of securities which would, apart from a renunciation or assignment of the right to their allotment, be held under an employees' share scheme.
- 9.6 Shares held by the Company as treasury shares shall be disregarded for the purposes of this article 9.2, so that the Company is not treated as a person who holds shares; and the treasury shares are not treated as forming part of the share capital of the Company.
- 9.7 Where shares are held by two or more persons jointly, the offer may be made to the joint holder first named in the register of members in respect of the shares.
- 9.8 Any offer required to be made by the Company pursuant to article 9.2 should be made by a notice (given in accordance with articles 200 to 212 (as applicable)) and such offer must state a period during which such offer may be accepted and such offer shall not be withdrawn before the end of that period. Such period must be a period of at least 21 days beginning on the date on which such offer is deemed to be delivered or received (as the case may be) pursuant to article 200 to 212 (as applicable).
- 9.9 The Company may by special resolution resolve that article 9.2 shall be excluded or that such article shall apply with such modifications as may be specified in the resolution:
- 9.9.1 generally in relation to the allotment by the Company of equity securities;
  - 9.9.2 in relation to allotments of a particular description; or
  - 9.9.3 in relation to a specified allotment of equity securities;
- and any such resolution must:
- 9.9.4 state the maximum number of equity securities in respect of which article 9 is excluded or modified; and
  - 9.9.5 specify the date on which such exclusion or modifications will expire, which must be not more than five years from the date on which the resolution is passed.
- 9.10 Any resolution passed pursuant to article 9.9 may:
- 9.10.1 be renewed or further renewed by special resolution of the Company for a further period not exceeding five years; and
  - 9.10.2 be revoked or varied at any time by special resolution of the Company.
- 9.11 Notwithstanding that any such resolution referred to in article 9.9 or 9.10 has expired, the directors may allot equity securities in pursuance of an offer or agreement previously made by the Company if the resolution enabled the Company to make an offer or agreement that would or might require equity securities to be allotted after it expired.
- 9.12 In this article 9, in relation to an offer to allot securities a reference (however expressed) to the holder of shares of any description is to whoever was the holder of shares of that description at the close of business on a date to be specified in the offer and the specified date must fall within the period of 28 days immediately before the date of the offer.
- 9.13 A special resolution under article 9.9 or a special resolution to renew such a resolution, shall not be proposed unless it is recommended by the Directors and there has been circulated, with

the notice of the meeting at which the resolution is proposed, to the members entitled to have that notice a written statement by the directors setting out:

- 9.13.1 their reasons for making the recommendation;
  - 9.13.2 the amount to be paid to the Company in respect of the equity securities to be allotted; and
  - 9.13.3 the directors' justification of that amount.
- 10 The Company, in connection with the issue of any share, may exercise the powers of paying commissions conferred or permitted by the Companies Law provided that the percentage rate or the amount of the commission paid or agreed to be paid is disclosed as required by law and does not exceed the rate of 10 per cent of the issue price of the shares in respect of which it is paid. Where permitted by the Companies Law, the commission may be satisfied wholly or partly by the allotment of fully or partly paid shares. The Company may also on an issue of shares pay such brokerage as is lawful.
- 11 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust. The Company shall not be bound by or be compelled in any way to recognise (even when having notice) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except as otherwise provided by these Articles or as by law required or under an order of court) any other rights in respect of any share except an absolute right to the entirety of it in the registered holder. The Company shall not be bound to register more than four persons as the joint holders of a share (except in the case of executors or trustees of a deceased member). Without prejudice to the generality of the foregoing a member shall be entitled to nominate by notice in writing given to the Company another person or persons (whether natural or corporate) to enjoy and exercise all or any of the rights of that member in relation to the Company and shall be entitled to revoke such revocation (in whole in part) by notice in writing to the Company.
- 12 *Non-cash consideration*
- 12.1 The Company may allot shares as fully or partly paid up otherwise than in cash where it has complied with the following:
- 12.1.1 the consideration for the allotment has been independently valued under articles 12.8 to 12.9; and
  - 12.1.2 a report with respect to its value has been made to the Company by a person appointed by the Company (in accordance with articles 12.8 to 12.9) during the 6 months immediately preceding the allotment of the shares;
  - 12.1.3 a copy of the report has been sent to the proposed allottee;
  - 12.1.4 section 296 of the Companies Law.
- 12.2 Where an amount standing to the credit of any of the Company's reserve accounts, or of its profit and loss account, is applied in paying up (to any extent) any shares allotted to members of the Company or any premiums on shares so allotted, the amount applied does not count as consideration for the allotment, and accordingly article 12.1 does not apply in that case.
- 12.3 Article 12.1 does not apply to the allotment of shares by the Company in connection with an arrangement providing for the allotment of shares on terms that the whole or part of the consideration for the shares allotted is to be provided by the transfer to the Company (or the

cancellation) of all or some of the shares, or of all or some of the shares of a particular class, in another company (with or without the issue to the Company of shares, or of shares of any particular class, in that other company).

12.4 But article 12.3 does not exclude the application of article 12.1 unless under the arrangement it is open to all the holders of the shares in the other company in question (or, where the arrangement applies only to shares of a particular class, to all the holders of shares in that other company, being holders of shares of that class) to take part in the arrangement.

12.5 In determining whether that is the case, shares held by or by a nominee of the Company or by a nominee of the Company which is the Company's holding company or subsidiary or a company which is a subsidiary of its holding company, shall be disregarded.

12.6 Article 12.1 also does not apply to the allotment of shares by the Company in connection with its proposed merger with another company; that is, where one of the companies proposes to acquire all the assets and liabilities of the other in exchange for the issue of shares or other securities of that one to shareholders of the other, with or without any cash payment to shareholders.

12.7 If the Company allots shares in contravention of article 12.1 and either—

12.7.1 the allottee has not received the valuer's report required by that article to be sent to him; or

12.7.2 there has been some other contravention of this article 12.7 or articles 12.8 to 12.9 which the allottee knew or ought to have known amounted to a contravention,

the allottee is liable to pay the Company an amount equal to the aggregate of the nominal value of the shares and the whole of any premium (or, if the case so requires, so much of that aggregate as is treated as paid up by the consideration), with interest at the appropriate rate.

12.8 The valuation and report required by articles 12.1 to 12.7 shall be made by an independent person, that is to say a person qualified at the time of the report to be appointed, or continue to be, an auditor of the Company.

12.9 However, where it appears to the independent person (from here on referred to as "the valuer") to be reasonable for the valuation of the consideration, or part of it, to be made (or for him to accept such a valuation) by another person who—

12.9.1 appears to him to have the requisite knowledge and experience to value the consideration or that part of it; and

12.9.2 is not an officer or servant of the Company or any other body corporate which is that Company's subsidiary or holding company or a subsidiary of that Company's holding company or a partner or employee of such an officer or servant,

he may arrange for or accept such a valuation, together with a report which will enable him to make his own report under this section and provide the note required by article 12.9.6 below.

12.9.3 The reference in article 12.9.2 to an officer or servant does not include an auditor.

12.9.4 The valuer's report shall state—

12.9.4.1 the nominal value of the shares to be wholly or partly paid for by the consideration in question;

12.9.4.2 the amount of any premium payable on the shares;

12.9.4.3 the description of the consideration and, as respects so much of the consideration as he himself has valued, a description of that part of the consideration, the method used to value it and the date of the valuation;

12.9.4.4 the extent to which the nominal value of the shares and any premium are to be treated as paid up—

12.9.4.4.1 by the consideration;

12.9.4.4.2 in cash.

12.9.5 Where the consideration or part of it is valued by a person other than the valuer himself, the latter's report shall state that fact and shall also—

12.9.5.1 state the former's name and what knowledge and experience he has to carry out the valuation, and

12.9.5.2 describe so much of the consideration as was valued by the other person, and the method used to value it, and specify the date of the valuation.

12.9.5.3 ~~12.9.6~~ The valuer's report shall contain or be accompanied by a note by him—

12.9.5.4 ~~12.9.6.1~~ in the case of a valuation made by a person other than himself, that it appeared to himself reasonable to arrange for it to be so made or to accept a valuation so made;

12.9.5.5 ~~12.9.6.2~~ whoever made the valuation, that the method of valuation was reasonable in all the circumstances;

12.9.5.6 ~~12.9.6.3~~ that it appears to the valuer that there has been no material change in the value of the consideration in question since the valuation; and

12.9.5.7 ~~12.9.6.4~~ that on the basis of the valuation the value of the consideration, together with any cash by which the nominal value of the shares or any premium payable on them is to be paid up, is not less than so much of the aggregate of the nominal value and the whole of any such premium as is treated as paid up by the consideration and any such cash.

12.9.6 ~~12.9.7~~ Where the consideration to be valued is accepted partly in payment up of the nominal value of the shares and any premium and partly for some other consideration given by the Company, articles 12.1 to 12.9 apply as if references to the consideration accepted by the Company included the proportion of that consideration which is properly attributable to the payment up of that value and any premium; and—

12.9.6.1 ~~12.9.7.1~~ the valuer shall carry out, or arrange for, such other valuations as will enable him to determine that proportion; and

12.9.6.2 ~~12.9.7.2~~ his report shall state what valuations have been made under this subsection and also the reason for, and method and date of, any such valuation and any other matters which may be relevant to that determination.

- 12.10 A person carrying out a valuation or making a report under this article 12, with respect to any consideration proposed to be accepted or given by the Company, is entitled to require from the officers of the Company such information and explanation as he thinks necessary to enable him to carry out the valuation or make the report and provide a note under article 12.9.6.

### **Certificated shares**

- 13 Subject to the Statutes, the requirements of the Nominated Adviser (where the Company's shares are admitted to trading on AIM) or (as the case may be) the UK Listing Authority (where the Company's shares are admitted to the Official List), and these Articles:
- 13.1 every person (except any person in respect of whom the Company is not required by the Companies Law to complete and have ready for delivery a share certificate), upon becoming the holder of a Certificated share is entitled, without charge, to one certificate for all the Certificated shares of a class registered in his name or, in the case of Certificated shares of more than one class being registered in his name, to a separate certificate for each class of shares, unless the terms of issue of the shares provide otherwise;
- 13.2 where a member (other than a person in respect of whom the Company is not required by the Companies Law to complete and have ready for delivery a share certificate) transfers part of his shares comprised in a certificate he shall be entitled, without charge, to one certificate for the balance of Certificated shares retained by him.
- 13.3 the Company is not bound to issue more than one certificate for Certificated shares held jointly by two or more persons, and delivery of a certificate to one joint holder shall be sufficient delivery to all joint holders.
- 13.4 a certificate shall:
- 13.4.1 specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued ~~and the amount paid up on the shares;~~
- 13.4.2 (subject as provided below) bear the autographic signatures of at least one Director and the Secretary provided that the Directors may by resolution determine that such signatures, or either of them, shall be dispensed with or shall be affixed by such other person as may be authorised by the Directors or some method or system of mechanical signature; and
- 13.4.3 be issued under the Seal, which may be affixed to or printed on it, or in such other manner as the Board may approve, having regard to the terms of issue and the requirements of the Nominated Adviser (where the Company's shares are admitted to trading on AIM) or (as the case may be) the UK Listing Authority (where the Company's shares are admitted to the Official List);
- 13.5 shares of different classes may not be included in the same certificate. The certificate shall specify the shares or securities to which it relates and the amount paid up;
- 14 If a share certificate is defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the Company in investigating the evidence and preparing the indemnity as the Board thinks fit and, in case of defacement, on delivery of the old certificate to the Company.

### **Uncertificated shares**

- 15 Subject to the Statutes , the requirements of the Nominated Adviser (where the Company's shares are admitted to trading on AIM) or (as the case may be) the UK Listing Authority (where the Company's shares are admitted to the Official List) and these Articles:
- 15.1 the Board may resolve that a class of shares is to become, or is to cease to be, in Uncertificated form;
- 15.2 shares of a class shall not be treated as forming a separate class from other shares of the same class as a consequence of such shares being held in Certificated or Uncertificated form or of any provision in these Articles applying only to Certificated shares or to Uncertificated shares;
- 15.3 the Board may lay down regulations not included in these Articles which (in addition to or in substitution for any provisions in these Articles):
- 15.3.1 apply to the issue, holding or transfer of Uncertificated shares;
- 15.3.2 set out (where appropriate) the procedures for conversion and/or redemption of Uncertificated shares; and/or
- 15.3.3 the Board considers necessary or appropriate to ensure that these Articles are consistent with the Approved Operator's rules and practices.
- 15.4 such regulations will apply instead of any relevant provisions in these Articles which relate to certificates and the transfer, conversion and redemption of shares in all cases to the extent (if any) stated in such regulations and if the Board makes any such regulations, article 15.4 will (for the avoidance of doubt) continue to apply to these Articles, when read in conjunction with those regulations;
- 15.5 where the Company is entitled under the Statutes , the Approved Operator's rules and practices, these Articles or otherwise to dispose of, forfeit, enforce a lien over or sell or otherwise procure the sale of any shares of a class which are held in Uncertificated form, the Board may take such steps as may be required or appropriate, by instruction by means of the Uncertificated System or otherwise, to effect such disposal, forfeiture, enforcement or sale including by (without limitation):
- 15.5.1 requesting or requiring the deletion of any computer-based entries in the Uncertificated System relating to the holding of such shares in uncertificated form;
- 15.5.2 altering such computer-based entries so as to divest the holder of such shares of the power to transfer such shares other than to a person selected or approved by the Company for the purpose of such transfer;
- 15.5.3 requiring any holder of such shares, by notice in writing to him, to change his holding of such uncertificated shares into Certificated form within any specified period;
- 15.5.4 requiring any holder of such shares to take such steps as may be necessary to sell or transfer such shares as directed by the Company;
- 15.5.5 otherwise rectify or change the register of members of the Company in respect of any such shares in such manner as the Board considers appropriate (including, without limitation, by entering the name of a transferee into the Register of members as the next holder of such shares); and/or
- 15.5.6 appointing any person to take any steps in the name of any holder of such shares as may be required to change such shares from Uncertificated form to Certificated form

and/or to effect the transfer of such shares (and such steps shall be effective as if they had been taken by such holder).

### **Lien**

- 16 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies, whether presently payable or not, called or payable at a fixed time in respect of the share whether the period for the payment has actually arrived or not, and notwithstanding that it is the joint debt or liability of the member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends or other monies payable on or in respect of it, together with any interest or expenses which may have accrued. The Directors may resolve that any share is wholly or in part exempt from the provisions of this article.
- 17 The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, has been given to the holder of the share or the person entitled to it by reason of his death or bankruptcy.
- 18 To give effect to the sale the Directors may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser. The purchaser shall be registered as the holder of the shares and he 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 or invalidity in the proceedings in reference to the sale. The net proceeds of sale, after payment of the costs of sale, shall be applied in or towards payment or satisfaction of the debt or liability in respect of which the lien exists, so far as it is presently payable. Any residue shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the time of the sale.

### **Calls on shares**

- 19 The Directors may make calls upon the members in respect of any monies (whether on account of the nominal value of the shares or by way of premium) unpaid on their shares and not by the conditions of allotment made payable at fixed times, provided that (except as otherwise fixed by the conditions of application or allotment) no call on any share may exceed one-quarter of the nominal amount of the share or be payable within 14 days from the last call. Each member shall (subject to receiving at least 14 days' notice specifying the time and place of payment) pay to the Company at the time and place specified the amount called on his shares. A call may be revoked or postponed as the Directors determine.
- 20 A call shall be deemed to have been made at the time when the resolution of the Directors authorising it was passed. A call may be made payable by instalments.
- 21 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.
- 22 If a call or instalment payable in respect of a share is not paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest on it from the day appointed for payment to the time of actual payment at such rate, not exceeding 15 per cent per annum, as the Directors determine. He shall also pay all costs, charges and expenses which the Company has incurred or become liable for in order to procure payment of or in consequence of the non-payment of the call or instalment. The Directors shall be at liberty to waive payment of the interest, costs, charges and expenses, wholly or in part.

- 23 Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, it becomes payable. In case of non-payment all the relevant provisions of these Articles as to payment of interest, costs, charges and expenses, forfeiture or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.
- 24 The Directors may, on the issue of shares, differentiate between the holders in the amount of calls to be paid and the times of payment.
- 25 The Directors may receive from any member all or any part of the money unpaid upon the shares held by him beyond the sums actually called up as a payment in advance of calls. The payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced. Upon the money received, or so much of it as exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may pay interest at such rate as the member and the Directors agree. The member shall not be entitled to participate in respect of the advance in a dividend subsequently declared. The Directors may repay the amount advanced upon giving to the member one month's notice in writing.

#### **Transfer of shares**

- 26 The Directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. Where they do so, the following shall commence to have effect immediately prior to the time at which Euroclear admits the class to settlement by means of the CREST UK system:
- 26.1 In relation to any class of shares which, for the time being, Euroclear has admitted to settlement by means of the CREST UK system, and for so long as such class remains so admitted, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:
- 26.1.1 the holding of shares of that class in Uncertificated form;
- 26.1.2 the transfer of title to shares of that class by means of the CREST UK system; or
- 26.1.3 the CREST Guernsey Requirements.
- 26.2 Without prejudice to the generality of article 26.1 and notwithstanding anything contained in these Articles where any class of shares is, for the time being, admitted to settlement by means of the CREST UK system:
- 26.2.1 such securities may be issued in Uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements;
- 26.2.2 unless the Directors otherwise determine, such securities held by the same holder or joint holder in Certificated form and Uncertificated form shall be treated as separate holdings;
- 26.2.3 such securities may be changed from Uncertificated to Certificated form, and from Certificated to Uncertificated form, in accordance with and subject as provided in the CREST Guernsey Requirements;

- 26.2.4 title to such of the shares as are recorded on the register as being held in Uncertificated form may be transferred only by means of the CREST UK system and as provided in the CREST Guernsey Requirements and accordingly (and in particular) no provision of these Articles shall apply in respect of such shares to the extent that those Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a certificate for the security to be transferred;
- 26.2.5 the Company shall comply in all respects with the CREST Guernsey Requirements;
- 26.2.6 no provision of these Articles shall apply so as to require the Company to issue a certificate to any person holding such shares in Uncertificated form;
- 26.2.7 the permitted number of joint holders of a share shall be four;
- 26.2.8 every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed. Accordingly, each CREST member who is for the time being registered as the holder of any shares in the capital of the Company shall hold such shares upon trust for himself and for those persons (if any) whose CREST accounts are duly credited with any such shares or in favour of whom shares are to be withdrawn from Euroclear pursuant to a settled stock withdrawal instruction; and the member and all such persons, to the extent respectively of the shares duly credited to their respective CREST accounts or the subject of a settled stock withdrawal instruction, shall accordingly have beneficial interests therein.
- 26.2.9 Where a dematerialised instruction is expressed to have been sent on behalf of a person by a Sponsor or by Euroclear:
- 26.2.9.1 the person on whose behalf the instruction is expressed to have been sent shall not be able to deny to the addressee:-
- 26.2.9.1.1 that the instruction was sent with his authority; or
- 26.2.9.1.2 that the information contained in it is correct; and
- 26.2.9.2 the Sponsor or Euroclear, as the case may be, shall not be able to deny to the addressee:-
- 26.2.9.2.1 that he has authority to send the dematerialised instruction; or
- 26.2.9.2.2 that he has sent the dematerialised instruction.
- 26.2.10 Where a dematerialised instruction is expressed to have been sent by a person, and it is not expressed to have been sent on behalf of another person, the first person shall not be allowed to deny to the addressee:-
- 26.2.10.1 that the information contained in the instruction is correct; or
- 26.2.10.2 that he has sent it.
- 26.2.11 An addressee who receives a dematerialised instruction (whether directly, or by means of the facilities of a Sponsor acting on his behalf) may (subject to articles 26.2.12 and 26.2.13) accept that at the time when it was sent:-

- 26.2.11.1 the information contained in the instruction was correct;
  - 26.2.11.2 the user or authorised operator identified in the instruction as having sent the instruction did send it; and
  - 26.2.11.3 if the instruction was expressed to have been sent on behalf of a person, it was sent with the authority of that person.
- 26.2.12 An addressee shall not be allowed to accept any of the matters specified in article 26.2.11 where, at the time when he received the dematerialised instruction, he was a person who was not either the Company or a Sponsor receiving (in either case) dematerialised instructions on behalf of the Company, and he had actual notice:-
- 26.2.12.1 that any information contained in it was incorrect;
  - 26.2.12.2 that the user or Euroclear expressed to have sent the instruction did not send it; or
  - 26.2.12.3 if the instruction was expressed to have been sent on behalf of a person, that the person had not given to Euroclear or the Sponsor identified in the instruction as having sent it his authority to send the instruction on his behalf.
- 26.2.13 An addressee shall not be allowed to accept any of the matters specified in article 26.2.11 where, at the time when he received the dematerialised instruction, he was either the Company or a Sponsor receiving dematerialised instructions on behalf of the Company, and:-
- 26.2.13.1 he had actual notice from Euroclear of any of the matters specified in article 26.2.12; and
  - 26.2.13.2 the instruction was an instruction from Euroclear requiring the registration of title in the circumstances specified in the CREST Guernsey Requirements.
- 26.2.14 However, where an addressee has received actual notice of a kind to which this article refers in respect of a properly authenticated dematerialised instruction, he may accept the matters specified in article 26.2.11 if at the time when he received the actual notice it was not practicable for him to halt his processing of the instruction.
- 26.2.15 A person who is permitted by articles 26.2.11 or 26.2.14 to accept any matter shall not be liable in damages or otherwise to any person by reason of his having relied on the matter that he was permitted to accept.
- 26.2.16 Except as provided in article 26.2.15, this article does not affect any liability of a person for causing or permitting a dematerialised instruction:-
- 26.2.16.1 to be sent without authority;
  - 26.2.16.2 to contain information that is incorrect; or
  - 26.2.16.3 to be expressed to have been sent by a person who did not send it.

26.3 Articles 26.2.14 to 26.2.16 are to be construed in accordance with the CREST Manual.

- 26.4 Words and expressions not specifically defined in article 26 shall bear the same meaning as those words and expressions defined in the CREST Manual.
- 27 If, after any of the shares have been admitted to settlement by means of the CREST UK system, regulations governing Uncertificated securities (which apply to the shares) are adopted in Guernsey (the "Regulations") then such provisions of these Articles which are inconsistent with the provisions of the Regulations shall cease to apply.
- 28 Subject to such of the restrictions of these Articles as may be applicable:
- 28.1 any member may transfer all or any of his Uncertificated shares by means of an Uncertificated System authorised by the Board in such manner provided for, and subject as provided, in any regulations issued for this purpose under the Statutes or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any Uncertificated System and accordingly no provision of these Articles shall apply in respect of an Uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred;
- 28.2 any member may transfer all or any of his Certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve; and
- 28.3 an instrument of transfer of a Certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a Certificated share need not be under seal. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of the members in respect of the share(s).
- 29 Every instrument of transfer of a Certificated share shall be left at the Office or such other place as the Board may prescribe with the certificate of every share to be transferred and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the shares; and the transfer and certificate (if any) shall remain in the custody of the Board but shall be at all reasonable times produced at the request and expense of the transferor or transferee or their respective representatives. A new certificate shall be delivered free of charge to the transferee after the transfer is completed and registered on his application and when necessary a balance certificate shall be delivered if required by him in writing.
- 30 The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share in Certificated form or Uncertificated form (subject to article 31 below) which is not fully paid or on which the Company has a lien or which appears to the Directors would result in a contravention of any determination made under articles 90 to 104 provided, in the case of a listed share that this would not prevent dealings in the share from taking place on an open and proper basis on a Relevant Exchange. In addition, subject to article 31 below, the Directors may refuse to register a transfer of shares which is prohibited by articles 90 to 104 and may also refuse to register a transfer of shares unless:-
- 30.1 it is in respect of only one class of shares;
- 30.2 it is in favour of a single transferee or not more than 4 joint transferees; and
- 30.3 it is delivered for registration to the Office or such other place as the Board may decide, accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.

- 31 The Board may only decline to register a transfer of an Uncertificated share in the circumstances permitted under regulations issued for this purpose under the Companies Law and the listing rules made by the Relevant Exchange and the Approved Operator's rules.
- 32 If the Board refuses to register the transfer of a share it shall, within 2 months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.
- 33 The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any one year) as the Board may decide and either generally or in respect of a particular class of share except that, in respect of any shares which are participating shares held in an Uncertificated System, the Register shall not be closed without the consent of Euroclear and this article shall be subject to the CREST Guernsey Requirements.
- 34 No fee shall be payable to the Company in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, instruction or other document relating to or affecting the title to any shares.
- 35 Nothing in these Articles shall preclude the Directors from allowing the allotment of any share to be renounced by the allottee in favour of some other person. For all purposes of these Articles relating to the registration of transfers of shares, this renunciation shall be deemed to be a transfer and the Directors shall have the same power of refusing to give effect to it as if the renunciation were a transfer.

The Company shall be entitled to destroy (a) all instruments of transfer of shares and all other documents on the faith of which entries are made in the register of members at any time after the expiration of six years from the date of registration, (b) all dividend mandates and notifications of change of name or address at any time after the expiration of two years from the date of recording, and (c) all share certificates which have been cancelled at any time after the expiration of one year from the date of cancellation. If the Company destroys a document in good faith and without notice of any claim (regardless of the parties) to which the document might be relevant, it shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, every share certificate so destroyed was a valid and effective document duly and properly cancelled and every other document mentioned above so destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company. Nothing in this article shall be construed as imposing upon the Company any liability in respect of the destruction of any document at an earlier date than that provided above or if the condition as to good faith and absence of notice is not met. References in this article to the destruction of any document include references to its disposal in any manner.

### **Transmission of shares**

- 36 In the case of the death of a member the survivor or survivors where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares. Nothing in this article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
- 37 Subject to any other provisions of these Articles, any person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of the law may, upon such evidence as to his title being produced as may be required by the Directors and subject as provided below, either be registered himself as holder of the share or elect to have some person nominated by him registered as transferee.

- 38 Subject to any other provisions of these Articles, if the person becoming entitled as above elects to be registered himself, he shall give to the Company notice in writing to that effect. If he elects to have his nominee registered, he must execute in favour of his nominee a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to the notice or transfer as if the event giving rise to the transmission had not occurred and the notice or transfer were a transfer executed by the member.
- 39 Subject to any other provisions of these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member may, at the discretion of the Directors, receive and give a discharge for any dividends or other monies becoming payable in respect of the share but shall not otherwise be entitled to receive notices of or to attend or vote at meetings of the Company or to any of the rights or privileges of a member until he has become a member in respect of the share. If he fails either to transfer the share or to elect to be registered as a member in respect of it within 60 days of being required by the Directors to do so, he shall in the case of shares which are fully paid up be deemed to have elected to be registered as a member in respect of them and may be registered accordingly.

### **Forfeiture of shares**

- 40 If a member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for payment, the Directors may, whilst any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of the non-payment.
- 41 The notice shall name a further day (not being less than seven days from the date of the notice) on or before which and the place where the payment required by the notice is to be made and shall state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. The Directors may accept the surrender of any share liable to be forfeited and, in such case, references in these Articles to forfeiture shall include surrender.
- 42 If the requirements of the notice are not complied with, any share in respect of which it has been given may before payment of all calls and interest and expenses due in respect of it has been made be forfeited by a resolution of the Directors. Forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before forfeiture.
- 43 A forfeited share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder or entitled to it, or to any other person, upon such terms and in such manner as the Directors think fit. At any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Directors think fit.
- 44 A shareholder whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall remain liable to pay to the Company all sums which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with interest from the date of forfeiture until payment at such rate not exceeding 15 per cent per annum as the Directors determine. The Directors shall be at liberty to waive payment of interest wholly or in part and may enforce payment without any allowance for the value of the shares at the time of forfeiture.
- 45 When a share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any failure to give notice.

- 46 A declaration in writing that the declarant is a director or the secretary of the Company and that a share has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal, together with the relevant share certificate delivered to a purchaser or allottee shall (subject to the execution of a transfer if required) constitute a good title to the share. The person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any), nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share. Every Director is authorised to execute on behalf of the shareholder whose share is forfeited a proper instrument of transfer of the share.
- 47 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if it had been payable by virtue of a call duly made and notified.

### **Untraced shareholders**

- 48 The Company may sell (in such manner and for such price as the Directors think fit) the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if:
- 48.1 during the period of 12 years prior to the date of the publication of the advertisements referred to in article 48.2 below (or, if published on different dates, the first date), being a period during which at least three dividends have been payable, all warrants and cheques in respect of the shares in question sent in the manner authorised by these Articles have remained uncashed; and
- 48.2 the Company on expiry of the period of 12 years has given notice, by advertisement in both a national newspaper and a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected in the manner authorised by these Articles is located, of its intention to sell the shares; and
- 48.3 during the period of 12 years and the period of three months following the publication of the advertisements, or following the later publication if the two advertisements are published on different dates, the Company has received no indication of either the whereabouts or the existence of the member or person; and
- 48.4 notice has been given to the Nominated Adviser (where the Company's shares have been admitted to trading on AIM) or (as the case may be) the UK Listing Authority (where the Company's shares are admitted to the Official List) of its intention to make the sale.
- 49 To give effect to a sale the Company may appoint any person to execute as transferor an instrument of transfer of the shares. The instrument of transfer shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, the shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings. 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 and shall enter the name of the former member or other person in the books of the Company as a creditor for that amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of it and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the

Company or invested in such investments (other than shares of the Company or its holding company, if any) as the Directors think fit.

### **Purchase of own shares**

50 Subject to, and in accordance with, the provisions of the Companies Law and subject to this article 50, the Company may with the authority of a resolution in a general meeting purchase its own shares (including any redeemable shares) and with respect to those shares, cancel them or hold them as treasury shares.

#### *50.1 Authority for off-market purchase*

50.1.1 The Company may only make an off-market purchase of its own shares in pursuance of a contract approved in advance in accordance with this article 50.1 or under article 50.2 below.

50.1.2 The terms of the proposed contract must be authorised by a special resolution at a general meeting of the Company before the contract is entered into; and the following paragraphs in this article 50.1 apply with respect to that authority and to resolutions conferring it.

50.1.3 Subject to article 50.1.4, the authority may be varied, revoked or from time to time renewed by special resolution of the Company.

50.1.4 The authority conferred by the special resolution must specify a date on which the authority is to expire; and in any special resolution conferring or renewing authority that date must not be later than 18 months after that on which the special resolution is passed.

50.1.5 Subject to Article 50.1.8, a special resolution to confer, vary, revoke or renew authority is not effective if any member of the Company holding shares to which the resolution relates exercises the voting rights carried by any of those shares in voting on the resolution and the resolution would not have been passed if he had not done so.

For this purpose:-

50.1.5.1 a member who holds shares to which the resolution relates is regarded as exercising the voting rights carried by those shares not only if he votes in respect of them on a poll on the question whether the resolution shall be passed, but also if he votes on the resolution otherwise than on a poll;

50.1.5.2 notwithstanding anything other provision in these Article, any member of the Company may demand a poll on that question; and

50.1.5.3 a vote and a demand for a poll by a person as proxy for a member are the same respectively as a vote and a demand by the member.

50.1.6 Subject to Article 50.1.8, such a special resolution is not effective for the purposes of this article unless (if the proposed contract is in writing) a copy of the contract or (if not) a written memorandum of its terms is available for inspection by members of the Company both at the Company's registered office for not less than 15 days ending with the date of the general meeting at which the special resolution is passed, and at the general meeting itself.

A memorandum of contract terms so made available must include the names of any members holding shares to which the contract relates; and a copy of the contract so made available must have annexed to it a written memorandum specifying any such names which do not appear in the contract itself.

50.1.7 The Company may agree to a variation of an existing contract so approved, but only if the variation is authorised by a special resolution at a general meeting of the Company before it is agreed to; and articles 50.1.3 to 50.1.6 above apply to the authority for a proposed variation as they apply to the authority for a proposed contract, save that a copy of the original contract or (as the case may require) a memorandum of its terms, together with any variations previously made, must also be available for inspection in accordance with article 50.1.6.

50.1.8 A special resolution to confer, vary, revoke or renew authority is effective if, at the time when such special resolution is passed, the only members of the Company are members of the Company holding shares to which the resolution relates provided that by the time such purchase is completed in accordance with such contract there are one or more other members of the Company and, in such circumstances, the provisions of Articles 50.1.5 and 50.1.6. shall not apply.

## 50.2 *Authority for contingent purchase contract*

50.2.1 A contingent purchase contract is a contract entered into by the Company and relating to any of its shares which does not amount to a contract to purchase those shares, but under which the Company may (subject to any conditions) become entitled or obliged to purchase those shares.

50.2.2 The Company may only make a purchase of its own shares in pursuance of a contingent purchase contract if the contract is approved in advance by a special resolution at a general meeting of the Company before the contract is entered into; and articles 50.1.3 to 50.1.7 apply to the contract and its terms.

## 50.3 *Authority for market purchase*

50.3.1 The Company shall not make a market purchase of its own shares unless the purchase has first been authorised by an ordinary resolution of the Company in general meeting.

50.3.2 That authority may be general for that purpose, or limited to the purchase of shares of any particular class or description, and may be unconditional or subject to conditions.

50.3.3 The authority must (a) specify the maximum number of shares authorised to be acquired, (b) determine both the maximum and the minimum prices which may be paid for the shares, and (c) specify a date on which it is to expire.

50.3.4 The authority may be varied, revoked or from time to time renewed by the Company by ordinary resolution in general meeting, but this is subject to article 50.3.3, and in a ordinary resolution to confer or renew authority, the date on which the authority is to expire must not be later than 18 months after that on which the ordinary resolution is passed.

50.3.5 The Company may under this article 50.3 make a purchase of its own shares after the expiry of the time limit imposed to comply with article 50.3.3(c), if the contract of purchase was concluded before the authority expired and the terms of the authority

permitted the Company to make a contract of purchase which would or might be executed wholly or partly after its expiration.

50.3.6 The ordinary resolution to confer or vary authority under article 50.3 may determine either or both the maximum and minimum prices for purchase by specifying a particular sum, or providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

#### 50.4 *Assignment or release of the Company's right to purchase own shares*

50.4.1 The rights of the Company under a contract approved under article 50.1 or 50.2, or under a contract for a purchase authorised under section 50.3, are not capable of being assigned.

50.4.2 An agreement by the Company to release its rights under a contract approved under 50.1 or 50.2 is void unless the terms of the release agreement are approved in advance by a special resolution of the Company before the agreement is entered into; and articles 50.1.3 to 50.1.7 apply to approval for a proposed release agreement as to authority for a proposed variation of an existing contract.

50.5 For the purposes of these Articles a reference to an "on-market acquisition" shall refer to an acquisition which is a "market acquisition" as defined in section 316 of the Companies Law and a reference to an "off-market acquisition" shall mean an acquisition that is not a "market acquisition" within the meaning of section 316 of the Companies Law.

### **Alteration of capital**

51 The Company may by ordinary resolution:

51.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

51.2 sub-divide all or any of its shares into shares of smaller amount than is fixed by the memorandum and the resolution may determine that, as between the holders of the shares resulting from the sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares;

51.3 cancel any 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 capital by the nominal amount of the shares cancelled;

51.4 convert all or any of its shares the nominal amount of which is expressed in a particular currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than 3 significant figures) current on the date of the resolution or on such other date as may be specified therein; ~~and~~

51.5 where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or sub-divisions of that currency or former currency, or otherwise; ~~and~~

51.6 redesignate the whole, or any particular class, of its shares into shares of another class.

- 52 Upon a consolidation of fully paid shares into shares of larger amount the Directors may settle any difficulty which arises and in particular may, as between the holders of shares consolidated, determine which shares are consolidated into each consolidated share. In the case of any shares registered in the name or names of one or more members being consolidated with shares registered in the name or names of another member or members, the Directors may make such arrangements for the sale of the consolidated share or for the issue, acceptance or sale of fractional certificates and may sell the consolidated share or the fractions represented by fractional certificates, either upon the market or otherwise, to such person or persons at such times and at such prices as they think fit. The Directors shall distribute the net proceeds of sale among the members rateably in accordance with their interests in the consolidated share or the fractions represented by the fractional certificates. For the purpose of giving effect to a sale the Directors may appoint some person to transfer the shares or fractions sold to the purchasers save where the amount to be distributed to a member in respect of any such interest or fraction amount to less than £3.00 (or such greater amount as the Nominated Adviser (where the Company's shares are admitted to trading on AIM) or (as the case may be) the UK Listing Authority (where the Company's shares are admitted to the Official List) shall from time to time permit), in which case any such amount may be retained for the benefit of the Company.

### **Redeemable shares**

- 53 Subject to sections 342 to 348 of the Companies Law and article 7, the Company may by special resolution create and sanction the issue or conversion into of shares which are, or at the option of the Company or the holder are to be liable, to be redeemed, subject to and in accordance with the provisions of the Companies Law. The special resolution sanctioning the issue shall also make such alterations to these Articles as are necessary to specify the terms on which and the manner in which the shares are to be redeemed.

### **General meetings**

- 54 The first general meeting of the Company (being an annual general meeting) of the Company shall be held within such time as may be required under the Companies Law and thereafter general meetings shall be held once in each calendar year at such time (within a period of not more than 6 months after the accounting reference date of the Company) and place as may be determined by the Directors. The general meetings referred to in this article shall be called annual general meetings. All general meetings other than annual general meetings shall be called general meetings. All general meetings and annual general meetings will be held in the Guernsey unless the Directors otherwise determine.
- 55 The Directors may convene a general meeting whenever they think fit. On the requisition of members in accordance with the Companies Law, the Directors shall convene a general meeting. Whenever the Directors convene a general meeting on the requisition of members, they shall within 21 days of the date the requisition is deposited at the office convene it for a date not more than 28 days after the date of the notice convening the general meeting (unless the requisitionists consent in writing to a later date being fixed). If the directors fail to convene the requisitioned meeting, the members may convene a meeting in accordance with the Companies Law.

### **Notice of general meetings**

- 56 In the case of the annual general meeting at least 21 clear days' notice and in the case of all other general meetings at least 14 clear days' notice convening the meeting must be given (exclusive in each case of the day on which the notice is served or deemed to be served and of the day for which the notice is given). The notice shall specify the place, the day and the hour of meeting (and in the case of an annual general meeting shall specify the meeting as such) and state with reasonable prominence that a member entitled to attend and vote is entitled to appoint

one or more proxies, who need not also be a member, to attend, speak and vote instead of him. In the case of special business or when required under the Companies Law, the notice must specify the general nature of the business (and, in the case of a meeting convened for passing a special, waiver or unanimous resolution, the intention to propose the resolution as a special, waiver or unanimous resolution as the case may be). The notice shall be given to the Auditors and the Directors and to such members as are, under these Articles, entitled to receive notices from the Company. With the consent in writing of all, or such less number as is required by the Companies Law, of the members entitled to attend and vote, a meeting may be convened by a shorter notice and in such manner as those members think fit. The Company shall comply with the provisions of the Companies Law as to giving notice of resolutions and circulating statements on the requisition of members.

- 57 The accidental omission to give notice of any meeting, or to send a form of proxy with a notice where required by these Articles, or the non-receipt of a notice or form of proxy, shall not invalidate the proceedings at any general meeting.

### **Proceedings at general meetings**

- 58 All business shall be deemed special that is transacted at a general meeting, and also all business that is transacted at an annual general meeting, with the exception of declaring dividends, the reading and consideration and adoption of the accounts and balance sheet and the ordinary reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the re-election of Directors retiring, the election of Directors in the place of those retiring, the approval of the remuneration report (if any) and the voting of remuneration or extra remuneration to the Directors, the appointment of and the fixing of the remuneration of the Auditors and the grant, renewal, limitation, extension or variation of any authority of or to the Board.
- 59 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Except as otherwise provided in these Articles, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes. A corporation which is a member shall be deemed to be personally present for the purpose of this article if represented by its representative duly authorised in accordance with article 87.
- 60 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors determine. On the resumption of an adjourned meeting, those Members present in person or by proxy shall constitute a quorum.
- 61 The chairman (if any) of the Board or, in his absence, a deputy chairman (if any) shall preside as chairman at every general meeting. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor a deputy chairman is present within five minutes after the time appointed for holding it, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote may elect one of their number to be chairman.
- 62 The chairman may at any time, without the consent of any meeting, adjourn the meeting (whether or not it has commenced or a quorum is present) to another time and to another place, but no business shall be transacted at an adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

- 63 The chairman may only adjourn the meeting in accordance with article 62 where it appears to him that:
- 63.1 the members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting; or
  - 63.2 the conduct of persons present prevents or is likely to prevent the orderly continuation of business; or
  - 63.3 an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.
- 64 The chairman may, with the consent of any meeting at which a quorum is present, adjourn the meeting from time to time and from place to place.
- 65 When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. It shall not otherwise be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 66 At a general meeting a resolution put to the vote shall be decided on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is demanded by the chairman or by at least five members present in person or by proxy and entitled to vote or by a member or members entitled to vote and representing not less than 10% of the total voting rights of all the members having the right to vote on the resolution. Unless a poll is demanded as above, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book 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.
- 67 If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the resolution unless it is pointed out at the same meeting, or at an adjournment, and it is, in the opinion of the chairman of the meeting, of sufficient magnitude to vitiate the resolution.
- 68 If a poll is duly demanded, it shall be taken at such time (either at the meeting at which the poll is demanded or within 30 days of the meeting) and place and in such manner as the chairman directs (including the use of ballot or voting papers or tickets). The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of a chairman or on a question of adjournment shall be taken immediately. No notice need be given of a poll not taken immediately. The chairman may appoint scrutineers and may adjourn the meeting to some place and time fixed by him for declaring the result of the poll. The demand for a poll may be withdrawn before the close of the meeting or the taking of the poll, whichever is the earlier, but, if a demand is withdrawn, the chairman of the meeting or other members entitled to require a poll may himself or themselves demand a poll.
- 69 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to any votes to which he may be entitled as a member.
- 70 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- 71 A member participating by video link or telephone conference call or other electronic or telephonic means of communication in a meeting shall be treated as forming part of the quorum

of that meeting provided that the members present at the meeting can hear and speak to the participating member.

- 72 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of members participates and all participants can hear and speak to each other shall be a valid meeting which shall be deemed to take place where the chairman is present unless the members resolve otherwise.

### **Security Procedures**

- 73 In their absolute discretion and notwithstanding anything in the notice of general meeting the Directors may, in respect of members or their proxies who wish to attend any general meeting:
- 73.1 direct that the members or proxies submit to searches;
- 73.2 direct that the members or proxies comply with any security arrangements or restrictions imposed by the Directors;
- 73.3 arrange for members or proxies to attend and participate simultaneously in the meeting at places other than the one specified in the notice of meeting as the place where the meeting will take place ("Principal Place");
- 73.4 fix the level of attendance at the Principal Place and any other places provided that if members or proxies are excluded from the Principal Place they are able to attend the meeting at one of the other places. (For the purpose of these Articles any such meeting will be treated as being held at the Principal Place); and
- 73.5 make arrangements for the issue of tickets or impose a random means of selection or by any other means they think appropriate, to facilitate the organisation and administration of a general meeting. The Directors may vary these arrangements or make new arrangements in their place.
- 74 The rights of members or proxies to attend a meeting at the Principal Place is subject to any arrangements in force whether contained in the notice of that meeting and said to apply to that meeting, or notified to the members after the notice of meeting has been provided.

### **Votes of members**

- 75 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member present (who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member,) or each proxy present shall have one vote and on a poll every member who is present in person or each proxy present shall have one vote for every share of which he is the holder.
- 76 Where there are joint holders of a share, any one of them may vote at any meeting either personally or by proxy in respect of the share as if he were solely entitled to it, but if more than one joint holder is present at a meeting either personally or by proxy, that one of them whose name stands first in the register of members in respect of the share shall alone be entitled to vote in respect of it.
- 77 A member, in respect of whom an order has been made by a competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs, may vote, whether on a show of hands or on a poll, by any person authorised to do so on his behalf and that person may on a show of hands or on a poll vote by

proxy, provided that such evidence as the Directors require of his authority has been deposited at the Office not less than 3 days before the time for holding the meeting.

- 78 No member shall be entitled to vote at any general meeting either personally or by proxy, or to exercise any privilege as a member, unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- 79 No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered. Every vote not disallowed at the meeting shall be valid for all purposes. An objection made in due time shall be conclusive.
- 80 On a poll votes may be given either personally or by proxy.
- 81 Subject to the provisions of the Laws, the instrument appointing a proxy shall be in any common form or in such other form as the Board may approve and:
- 81.1 if in writing, but not sent in electronic form, made under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of an officer or attorney duly authorised in that behalf; or,
- 81.2 if in writing sent in electronic form, submitted by or on behalf of the appointer and authenticated.
- 82 The Board may allow a proxy for any member holding Uncertificated shares to be appointed by electronic communication in the form of an Uncertificated proxy instruction. The Board may also allow any supplement to the Uncertificated proxy instruction or any amendment or revocation of any Uncertificated proxy instruction to be made by a further Uncertificated proxy instruction.
- 83 The Board may also decide what method should be used to determine at what time the instruction or notification of a proxy is treated as being received by the Company. The Board may treat any notification purporting or expressed as being sent by a member holding Uncertificated shares as sufficient evidence of the authority of the person sending the instruction to send it on behalf of that member.
- 84 For the purposes of articles 82 and 83, an Uncertificated proxy instruction is a properly authenticated dematerialised instruction, and/or other instruction or notification, sent through a relevant system including the CREST UK System, to a participant in that system chosen by the Board to act for the Company. The Uncertificated proxy instruction may be in any form and subject to any terms and conditions that the Board deems appropriate, but always subject to the facilities and requirements of the relevant system.
- 85 An instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a copy of that power or authority certified notarially or in some other way approve by the Board, shall:
- 85.1 in the case of an instrument in writing (including, whether or not the appointment of proxy is sent in electronic form, any such power of attorney or other authority) be deposited at the Office or such other address as shall be specified in the notice of meeting or the proxy form not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
- 85.2 in the case of an appointment sent in electronic form, where an address has been specified for the purpose of receiving documents or information sent in electronic form:

- 85.2.1 in the notice convening the meeting; or
- 85.2.2 in any instrument of proxy sent out by the Company in relation to the meeting; or
- 85.2.3 in any invitation sent in electronic form to appoint a proxy issued by the Company in relation to the meeting,

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

- 85.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- 85.4 in the case of a poll not taken forthwith but taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman of the meeting or any Director, the Secretary or some other person authorised for the purpose by the Company.
- 86 An instrument appointing a proxy may be in any form which the Board may approve and may include an instruction by the appointor to the proxy either to vote for or against any resolution to be put to the meeting. A member may appoint more than one proxy, each proxy may attend and vote instead of such member on any one occasion.
- 87 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and shall be as valid for any adjournment as for the meeting to which it relates.
- 88 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or disability of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no intimation in writing of such death disability or revocation shall have been received by the Company at the Office before the commencement of the meeting or adjournment or the taking of the poll at which the proxy is used.
- 89 Any corporation which is a member 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 of any class of members or to approve any resolution submitted in writing and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual member.

#### **Disclosure of Interests**

- 90 Each Member who from time to time acquires an interest in 3 per cent or more of the Company's issued share capital of any class, carrying rights to vote in all circumstances at general meetings of the Company other than where the voting rights attaching to such Shares are suspended (“**Relevant Share Capital**”), must notify such interest to the Company. Notification is also required when an interest falls below 3 per cent or rises or falls any whole percentage point above 3 per cent (any such changes in interest as described above being a “**notifiable interest**”). Each Member is also required, to the extent that he is lawfully able to do so, to notify the Company if any other person (“**an interested party**”) acquires or ceases to have a notifiable interest in the Relevant Share Capital of which he is the registered Member, or, if unable lawfully to provide such notification, to use his reasonable endeavours to procure

that such other person makes notification of his interests to the Company. For these purposes, “interest” shall mean, in relation to Relevant Share Capital, any interest of any kind whatsoever in any Shares comprised therein (disregarding any restraints or restrictions to which the exercise of any rights attached to the interest in the Shares is, or may be, subject) and without limiting the meaning of “interest” a person shall be taken to have an interest in a Share as a result of:

- 90.1 entering into a contract for its purchase by him (whether for cash or other consideration);
- 90.2 not being the registered holder, being entitled to exercise any right conferred by the holding of the Share or entitled to control the exercise or non-exercise of any such right;
- 90.3 being a beneficiary of a trust where the property held on trust includes an interest in the Share;
- 90.4 otherwise than by virtue of having an interest under a trust, having a right to call for the delivery of the Share to himself or his order;
- 90.5 otherwise than by virtue of having an interest under a trust, having the right to acquire an interest in the Share or being under an obligation to take an interest in the Share; or
- 90.6 having the right to subscribe for the Share or an interest therein,

whether in any case the contract, right or obligation is absolute or conditional, legally enforceable or not and evidenced in writing or not, and it shall be immaterial that a Share in which a person has an interest is unidentifiable. A person is taken to be interested in any Shares in which his spouse or any infant child or stepchild of his is interested (“infant” meaning for this purpose a person under the age of 18 years). A person is also taken to be interested in Shares if a company is interested in them and:

- (a) that the company or its directors are accustomed to act in accordance with his directions or instructions; or
- (b) he is entitled to exercise or control the exercise of one third or more of the voting powers at general meeting of that company,

provided that (i) where a person is entitled to exercise or control the exercise of one third or more of the voting powers at general meeting of a company and that company is entitled to exercise or control the exercise of any of the voting power at general meeting of another company the “effective voting power”) then, for the purposes of (b) above, the effective voting power is taken as exercisable by that person, and (ii) for the purposes of this provision, a person is entitled to exercise or control the exercise of voting power if he has a right (whether subject to conditions or not) the exercise of which would make him so entitled or he is under an obligation (whether or not so subject) the fulfillment of which would make him so entitled.

91 Any notification required to be made by a Member under these Articles and any notification which a Member is lawfully able to make under these Articles must be made in writing to the Company within the period of two days next following the day on which that obligation arises. To the extent a Member is not lawfully able to make notification such Member must use its reasonable endeavours to procure that the relevant person notifies his interests to the Company within such two day period or within such longer period as the Directors may allow.

92 In addition the Directors have the power to give notice in writing to a person, whom they know or have reasonable cause to believe to be interested in Relevant Share Capital, requiring such person to confirm or deny such interest and to give any further information as may be requested. Such information must be provided within such reasonable time the directors may

determine. Any such notice shall require any information in response to such notice to be given in writing within the Prescribed Period.

- 93 The Company shall maintain a register of interested parties to which the provisions of section 123 of the Companies Law shall apply *mutatis mutandis* as if the register of interested parties was the Register of members and whenever in pursuance of a requirement imposed on a member as aforesaid, the Company is informed of an interested party, the identity of the interested party and the nature of the interest shall be promptly inscribed therein together with the date of the request.
- 94 If any member has been duly served with a notice given by the Directors in accordance with article 92 and is in default for more than 14 days after the Prescribed Period in supplying to the Company the information thereby required, or in purported compliance with such notice has made a statement which is false or inadequate on a material particular (in either case, the “**default**”), then the Directors may in their absolute discretion at any time thereafter serve a notice (a “**direction notice**”) upon such member.
- 95 A direction notice shall direct that, in respect of any shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the “**default shares**”), the member shall not be entitled to attend or vote (either personally or by proxy) at a general meeting or meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company.
- 96 Where the default shares represent at least 0.25% of the class of shares concerned, the direction notice shall additionally direct that in respect of the default shares:-
- 96.1 any dividend or part thereof or other monies which would otherwise be payable on or in respect of such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member and the relevant member shall not be entitled to receive shares in lieu of dividend;
- 96.2 no transfer other than an approved transfer (as set out in article 102.2) of the default shares held by such member shall be registered.
- 97 From the date of Admission and for as long as the Company has any of its Share capital admitted to trading on AIM, or any successor market or any other market operated by the London Stock Exchange, any member shall comply with the notification and disclosure requirements set out in Chapter 5 of the Disclosure and Transparency Rules (“DTR”) Sourcebook (as amended and varied from time to time) of the FSA Handbook as if the Company were classified as an “issuer” whose “Home State” is the “United Kingdom” (as such terms are defined in the FSA Handbook). A Member shall notify the Company of the percentage of the aggregate voting rights he holds as Member or through his direct or indirect holding of any financial instruments (within the meaning of the Disclosure and Transparency Rules of the FSA) if the percentage of those aggregate voting rights reaches, exceeds or falls below the thresholds of 3 per cent, 4 per cent, 5 per cent, 6 per cent, 7 per cent, 8 per cent, 9 per cent and 10 per cent and each 1 per cent threshold thereafter up to 100 per cent as a result of an acquisition or disposal of Shares or financial instruments of and relating to the Company.
- 98 The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but failure or omission by the Company to do so shall not invalidate such notice.

- 99 If shares are issued to a member as a result of that member holding default shares in respect of which the member is for the time being subject to particular restrictions, the new shares shall on issue become subject to the same restrictions as such default shares.
- 100 Any direction notice shall have effect in accordance with its terms for as long as the default, in respect of which the direction notice was issued, continues but shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer as set out in article 102.2.3. As soon as practicable after the direction notice has ceased to have effect (and in any event within 7 days thereafter) the Directors shall procure that the restrictions imposed by articles 96 and 99 above shall be removed and that dividends withheld pursuant to article 96.1 above are paid to the relevant member.
- 101 For the purpose of enforcing the restrictions referred to in article 96.2 and to the extent permissible under the CREST Guernsey Requirements, the Directors may give notice to the relevant member requiring the member to change any default shares held in Uncertificated form to Certificated form by the time stated in the notice. The notice may also state that the member may not change any of the default shares held in Certificated form to Uncertificated form. If the member does not comply with the notice, the Directors may authorise any person to instruct the operator of the relevant Uncertificated System to change the default shares held in Uncertificated form to Certificated form.
- 102 For the purpose of articles 90 to 104:-
- 102.1 a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- 102.2 a transfer of shares is an approved transfer if but only if:-
- 102.2.1 it is a transfer of shares to an offeror by way or in pursuance of acceptance of a public offer made to acquire all the issued shares in the capital of the Company not already owned by the offeror or connected person of the offeror in respect of the Company; or
- 102.2.2 the Directors are satisfied that the transfer is a bone fide transfer made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the member and with other persons appearing to be interested in such shares; or
- 102.2.3 the transfer results from a sale made through any stock exchange on which the Company's shares are listed or normally traded.
- 102.3 For the purposes of articles 90 to 104 a person shall be treated as being connected with a member if that person is:-
- 102.3.1 a spouse, child (under the age of eighteen) or step child (under the age of eighteen) of the member; or
- 102.3.2 an associated body corporate which is a company in which the member alone, or with connected persons, is directly or indirectly beneficially interested in 20% or more of the nominal value of the equity share capital or is entitled (alone or with connected persons) to exercise or control the exercise of more than 20% of the voting power at general meetings; or

- 102.3.3 a director, partner, employee or professional adviser of or to any investment manager of the Company or any other co-party, partnership or vehicle in the same group as any such investment manager; or
- 102.3.4 a trustee (acting in that capacity) of any trust, the beneficiaries of which include the member or persons falling within articles 102.3.1 and 102.3.2 above excluding trustees of an employees' share scheme or pension scheme; or
- 102.3.5 a partner (acting in that capacity) of the member or persons in categories 102.3.1 to 102.3.4 above
- 103 Any member who has given notice of an interested person in accordance with article 90 who subsequently ceases to be so interested in his shares or has any other person interested in his shares shall notify the Company in writing of the cessation or change in such interest and the Directors shall promptly amend the register of interested parties accordingly.
- 104 For the purpose of articles 90 to 104, the Directors shall have the power to require any holder of default shares to sell or transfer his default shares to a person qualified to own the same within thirty days by serving a notice (a "default notice") and within such thirty days of being served a default notice to provide the Directors with satisfactory evidence of such sale or transfer. If any person upon whom such default notice is served pursuant to this article does not within thirty days after such default notice transfer his default shares to a person qualified to own the same or establish to the satisfaction of the Directors (whose judgment shall be final and binding) that he is qualified and entitled to own the shares he shall be deemed upon the expiration of such thirty days to have forfeited his shares and the Directors shall be empowered at their discretion to follow the procedure pursuant to article 43 to 47.

### **Directors**

- 105 Unless and until otherwise determined by ordinary resolution of the Company in general meeting, the number of Directors (other than the alternate directors) shall not be less than two nor more than eight. At no time after Admission shall a majority of Directors be resident in the United Kingdom.
- 106 The aggregate fees of all of the non-executive Directors of the Company from time to time for their services (excluding any amounts payable under any other provision of these Articles and, for the avoidance of doubt, excluding any salary or other benefits paid to executive directors of the Company) shall not exceed £200,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such Director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as the Board determines. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or committees of the Directors or general meetings of the Company or in connection with the business of the Company.
- 107 Subject to the provisions of these Articles and without prejudice to the powers of the Directors under these Articles to appoint any person to be a Director, the Company may by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but the total number of Directors must not at any time exceed any maximum number fixed by or in accordance with these Articles.
- 108 Any Director who at the request of the Board performs special services or goes or resides abroad for any purposes of the Company may (unless otherwise expressly resolved by the Company in general meeting) receive such extra remuneration by way of salary, percentage of profits or otherwise as the Board determines.

- 109 No shareholding qualification for Directors is required.
- 110 Each Director may attend and speak at any annual general meeting and any general meeting of the Company.
- 111 The office of a Director shall be vacated in any of the following events, namely:
- 111.1 if (not being an executive Director whose contract precludes resignation) he resigns his office by notice in writing signed by him left at the Office;
- 111.2 if he becomes bankrupt, insolvent, is declared en desastre or has a receiving order made against him or compounds with his creditors;
- 111.3 if he becomes of unsound mind or a patient for any purpose of any law relating to mental health and the Directors resolve that his office should be vacated;
- 111.4 if he is absent from meetings of the Directors for six months without leave, and his alternate Director (if any) does not during that period attend in his stead, and the Directors resolve that his office should be vacated;
- 111.5 if he is removed or becomes prohibited from being a Director under any provision of the Companies Law or these Articles;
- 111.6 if he is requested in writing by all the other Directors to resign his office;
- 111.7 if, at any time after Admission, his behaviour is, in the opinion (acting reasonably) of a majority of the other Directors, likely to bring the Company or the Relevant Exchange into disrepute;
- 111.8 if, any time after Admission, he becomes resident in the United Kingdom and as a result thereof a majority of the directors are resident in the United Kingdom.

For these purposes (i) an alternate director, acting in his capacity as such, who is appointed by the Director shall be excluded and (ii) a director and any alternate director acting in his capacity as such and appointed by the Director shall constitute a single director for this purpose, so that the signature of either shall be sufficient.

- 112 A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board determines, and may be paid such extra remuneration for it (whether by way of salary, commission, participation in profits or otherwise) as the Board determines. The extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other article.
- 113 A Director 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.
- 114 A Director may be or become a director or other officer of, or otherwise interested in, a company promoted by the Company or in which the Company is interested, and shall not be liable to account to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in that company. The Board may cause the voting power conferred by the shares in another company held or owned by the Company to be exercised in such manner as it thinks fit, including the exercise in favour of a

resolution appointing any of the Directors to be directors or officers of that company, or voting or providing for the payment of remuneration to the directors or officers of that company.

- 115 A Director shall not vote or be counted in the quorum on a resolution of the Board concerning his own appointment as the holder of an office or place of profit with the Company or another company in which the Company is interested (including the arrangement or variation of its terms or its termination).
- 116 Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms or the termination of the appointment) of two or more Directors to offices or places of profit with the Company or another company in which the Company is interested, a separate resolution may be put in relation to each Director. In such case, each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of its terms or its termination) and except (in the case of an office or place of profit with another company) where the other company is a company in which the Director owns one per cent or more of the issued equity share capital.
- 117 Except as otherwise provided by these Articles, a Director must not vote on (or be counted in the quorum in respect of) any resolution of the Board concerning a contract or arrangement or other proposal which (together with any interest of any person connected to him) is to his knowledge, directly or indirectly, a material interest otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise through, the Company. If he does, his vote shall not be counted. This prohibition does not apply to any of the following matters, namely:
- 117.1 a contract or arrangement for giving to the Director security or a guarantee or indemnity in respect of:
- 117.1.1 money lent by him or obligations undertaken by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries; or
  - 117.1.2 a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or part under a guarantee or indemnity or by the giving of security;
- 117.2 where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is, or may be, entitled to participate as a holder of securities or in the underwriting or subunderwriting of which the director is to participate;
- 117.3 relating to another company in which he and any persons connected to him do not to his knowledge hold an interest in shares representing one per cent or more of any class of the equity share capital or of the voting rights in that company;
- 117.4 relating to a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which does not award him any privilege or benefit not awarded to the employees to whom the scheme relates; or
- 117.5 concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or the benefit of persons including Directors.

## Conflicts of Interest

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- 118.1 A Director who to his knowledge is in any way directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of his interest at a meeting of the Board in accordance with the Companies Law. In the case of a proposed contract such disclosure shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Board held after he became so interested. In a case where the Director becomes interested in a contract or arrangement after it is made, disclosure shall be made at the first meeting of the Board held after the Director becomes so interested. For the purpose of the foregoing a general notice given to the Board by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm shall be deemed to be a sufficient disclosure of interest if either it is given at a meeting of the Board or the Director takes reasonable steps to ensure that it is raised and read at the next meeting of the Board after it is given. For the purposes of these Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.
- 118.2 Provided that a Director has disclosed to the Board the nature and extent of his interest in accordance with the Companies Law, a Director notwithstanding his office:
- 118.2.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 118.2.2 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;
- 118.2.3 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested.
- 118.3 Provided that the Director has complied with the Companies Law with regard to disclosure of conflicts of interest, a Director shall not, by reason of his office, be accountable to the Company for any remuneration or other benefit which he derives from any office or employment or from any transaction or arrangement or from any interest in any body corporate.
- 118.4 Any disclosure required by article 118.2 may be made at a meeting of the Board, by notice in writing or by general notice or otherwise in accordance with the Companies Law.
- 118.5 A Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person.
- 118.6 Where the existence of a Director's relationship with another person has been disclosed to the Board pursuant to the Companies Law and his relationship with that person gives rise to a conflict of interest or possible conflict of interest, the Director shall not be in breach of the general duties he owes to the Company because he:

- 118.6.1 absents himself from meetings of the Board at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or
- 118.6.2 makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company and/or for such documents and information to be received and read by a professional adviser; for so long as he reasonably believes such conflict of interest or possible conflict of interest subsists.
- 118.7 The provisions of articles 118.5 and 118.6 are without prejudice to any equitable principle or rule of law which may excuse the Director from:
- 118.7.1 disclosing information, in circumstances where disclosure would otherwise be required under these Articles; or
- 118.7.2 attending meetings or discussions or receiving documents and information as referred to in article 118.6, in circumstances where such attendance or receiving such documents and information would otherwise be required under these Articles.
- 119 A company shall be deemed to be a company in which a Director owns one per cent or more if and so long as he is (either directly or indirectly) the holder of or beneficially interested in one per cent or more of any class of its equity share capital or of the voting rights available to its members. For the purpose of this article there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the trust income, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder.
- 120 Where a company in which a Director owns one per cent or more is materially interested in a transaction, he shall also be deemed materially interested in the transaction.
- 121 If any question arises at any meeting of the Board as to the materiality of the interest of a Director or as to the entitlement of a Director (in each case, other than the chairman of the meeting) to vote or be counted in the quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, it shall be referred to the chairman of the meeting. His ruling shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to the Director has not been fairly disclosed to the Board. If the question relates to the chairman of the meeting, it shall be decided by a resolution of the Board (for which purpose the chairman shall be counted in the quorum but may not vote). The resolution shall be final and conclusive except in a case where the nature or extent of the interest of the chairman as known to him has not been fairly disclosed to the Board.

### **Powers of directors**

- 122 The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Companies Law or by these Articles required to be exercised by the Company in general meeting, but subject to any regulations of these Articles, to the provisions of the Companies Law, and to such regulations, which are not inconsistent with those regulations or provisions, as may be prescribed by special resolution of the Company in general meeting. No regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if the regulation had not been made. The general powers given by this article are not limited or restricted by any special authority or power given to the Directors by any other article.

- 123 The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company is interested shall be carried on by or through one or more subsidiaries. They may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business or for financing, assisting or subsidising any subsidiary or guaranteeing its contracts, obligations or liabilities. They may appoint, remove and reappoint any person (whether a member of their own body or not) to act as a director, managing director or manager of a subsidiary or any other company in which the Company is interested, and may determine his remuneration (whether by way of salary, commission on profits or otherwise). A Director may retain any remuneration payable to him in respect of the appointment.
- 124 The Directors may by power of attorney appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they think fit. The power of attorney may contain such provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may authorise the attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- 125 The Directors may procure the establishment and maintenance of or participation in or contribution to any non-contributory or contributory pension or superannuation fund, scheme or arrangement or life assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, bonuses, benefits or emoluments to, any person (including directors and other officers whether of the Company or of any other company referred to in this article ) who is or has been in the employment of the Company, or of any company which is a subsidiary of the Company or a predecessor in business of the Company or a subsidiary, or of any allied or associated companies of the Company or any such companies and the spouses, widows, widowers, families, dependants or connections of any such persons. No pension, annuity or other allowance or benefit (except as provided for by or in accordance with any other article) shall be granted to a Director or former Director who has not been an executive Director or held any other office or place of profit under the Company or any of its subsidiaries or to a person who has no claim on the Company except as a relation, connection or dependant of a Director or former Director, without the approval of an ordinary resolution of the Company.
- 126 The Directors may establish, maintain and give effect to any scheme approved by an ordinary resolution for the allotment of or the grant of options to subscribe for shares of the Company to persons (including Directors) in the employment of the Company or any subsidiary of the Company and may exercise all the powers conferred on them by the scheme (including any power to alter or add to its provisions). These Articles shall be deemed to be modified so far as may be necessary to give effect to the scheme in respect of any shares in issue or under option.
- 127 The Directors may procure any of the matters referred to in this article are done by the Company either alone or in conjunction with any other company.
- 128 All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed in such manner as the Directors determine.

### **Executive directors**

- 129 The Directors may appoint one or more of their number (other than, at any time after Admission, a Director resident in the United Kingdom) to an executive office including the office of chairman, vice-chairman, managing Director, joint managing Director, assistant managing Director or manager or any other salaried office for such period and on such terms as

they think fit. The Directors may revoke or terminate any such appointment, without prejudice to a claim for damages for breach of contract or otherwise.

130 A Director holding office pursuant to the last preceding article shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors determine. The remuneration shall, unless otherwise agreed, be additional to such remuneration (if any) as is payable to him as a Director. The Director shall be a director for the purposes of and subject to the provisions of article 129.

131 Where the provision under which the guaranteed term of a Director's employment is (a) with the Company, or (b) within the Group and is, or may be, longer than two years then:

131.1 the Company may not agree to such provision unless it has been approved by an ordinary resolution of the members of the Company;

131.2 The guaranteed term of a Director's employment is

131.2.1 the period (if any) during which the director's employment (i) is to continue, or may be continued otherwise than at the instance of the Company (whether under the original agreement or under a new agreement entered into in pursuance of it), and (ii) cannot be terminated by the Company by notice, or can be so terminated only in specified circumstances, or

131.2.2 in the case of employment terminable by the Company by notice, the period of notice required to be given,

or, in the case of employment having a period within article 129.2.1 and a period within article 129.2.2, the aggregate of those periods.

131.3 If more than six months before the end of the guaranteed term of a Director's employment the Company enters into a further service contract (otherwise than in pursuance of a right conferred, by or under the original contract, on the other party to it), this section applies as if there were added to the guaranteed term of the new contract the unexpired period of the guaranteed term of the original contract.

131.4 A resolution approving the provision to which this article 129 applies must not be passed unless a memorandum setting out the proposed contract incorporating the provision is made available for inspection by members of the Company both (i) at the Company's registered office for not less than 15 days ending with the date of the meeting, and (ii) at the meeting itself.

132 The Directors may entrust to and confer upon a Director holding executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may revoke, withdraw or vary any of the powers.

### **Rotation of directors**

133 At every annual general meeting any Directors who are bound to retire under article 139 and one-third of the other Directors or, if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office. A Director retiring at a meeting shall retain office until the close of the meeting.

134 The Directors to retire on each occasion shall be those who have been longest in office since their last election but, as between persons who became or were re-elected 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 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. Any Director who was not elected or re-elected at either of the two preceding annual general meetings shall retire.

- 135 A retiring Director shall be eligible for re-election.
- 136 Subject to the provisions of these Articles, the Company at the meeting at which a Director retires may elect a person to fill the vacated office. In default, the retiring Director shall, if willing to continue to act, be deemed to have been re-elected, unless at the meeting it is expressly resolved not to fill the vacated office or unless a resolution for the re-election of the Director has been put to the meeting and lost.
- 137 No person other than a Director retiring at the meeting shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting, unless not less than seven nor more than 42 days before the date appointed for the meeting there has been left at the Office a notice in writing, signed by a member (not being the person to be proposed) duly qualified to attend and vote at the meeting, of his intention to propose the person for election, and a notice in writing signed by that person of his willingness to be elected.
- 138 The Company in general meeting may increase or reduce the number of Directors and may determine in what rotation the increased or reduced number is to go out of office.
- 139 The Directors may appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors does not exceed the maximum number fixed by or in accordance with these Articles. The Director shall hold office only until the next following annual general meeting and shall then be eligible for re-election. A Director who retires under this article shall not be taken into account in determining the Directors who are to retire by rotation at the meeting.
- 140 The Company may, by ordinary resolution of which special notice has been given in accordance with section 211 of the Companies Law, remove any Director (including a managing Director or other executive Director, but without prejudice to any claim for damages under any contract) before the expiration of his period of office and may by an ordinary resolution appoint another person in his place. The person who is appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

### **Proceedings of directors**

- 141 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes and in case of an equality of votes the chairman shall have a second or casting vote. A Director may at any time, and the Secretary on the requisition of a Director shall, summon a Board meeting. All meetings of the Directors shall take place outside the United Kingdom and principally, in Guernsey. Any decision reached or resolution passed by the Directors at any meeting held in the United Kingdom shall be invalid and of no effect.
- 142 Notice of a Board meeting may be given to a Director personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company

for this purpose. A Director may waive notice of a meeting either prospectively or retrospectively.

- 143 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and, unless fixed at any other number, shall be two, save that where all the Directors other than one Director (the "**Non-Conflicted Director**") are precluded from forming part of the quorum pursuant these Articles or, if all the Directors other than one Director are not precluded from forming part of the quorum pursuant to article 117 but nevertheless choose to abstain from voting on a matter because of a conflict of interests or potential conflict of interests not covered by article 113 then the quorum necessary for the transaction of the business of the Directors shall be one Director provided that it is the Non-Conflicted Director.
- 144 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in the Board. If and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company, but not for any other purpose. If there are no Directors or no Director able or willing to act, any two members may summon a general meeting of members for the purpose of appointing Directors.
- 145 If the Directors have not appointed a chairman or vice-chairman pursuant to article 129, or if at any meeting neither the chairman nor the vice-chairman is present within five minutes after the time appointed for holding it, the Directors present may choose one of their number to be chairman of the meeting.
- 146 The Board may establish local 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 boards, or to be managers or agents, and may fix their remuneration. The Board may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than the power to borrow and make calls), with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies and to act notwithstanding vacancies. An appointment or delegation may be made upon such terms and subject to such conditions as the Board thinks fit. The Board may remove any person appointed as above and may revoke or vary any delegation, but a person dealing in good faith and without notice of the revocation or variation shall not be affected by it.
- 147 A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the Directors.
- 148 The Directors may delegate any of their powers to committees consisting of such number of members of their body as they think fit and may revoke a delegation and discharge a committee in whole or in part. A committee shall in the exercise of the powers delegated to it conform to any regulations that are imposed by the Directors.
- 149 The meetings and proceedings of a committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as they are applicable and are not superseded by any regulations made by the Directors under the last preceding article.
- 150 A member of the Board, or of a committee of the Board, may participate in a meeting of the Board or the committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other provided that no Directors physically present in the United Kingdom at the time of any such meeting may participate in the meeting by means of a conference telephone or any communication

equipment unless 50 per cent or more of the Directors participating are physically present outside the United Kingdom. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. The meeting shall be deemed to take place where the chairman of the meeting is located.

- 151 A resolution in writing, signed by all of the Directors entitled to notice of a meeting of the Directors or by all of the members of a committee, shall be as valid as if it had been passed at a Board meeting or a meeting of the committee duly called and constituted. The resolution may consist of several documents in the like form each signed by one or more of the Directors or members of the committee. For the purpose of this article, the signature of an alternate Director entitled to notice of a meeting of Directors shall suffice in lieu of the signature of the Director appointing him. No such resolution shall be valid if a majority of the Directors sign the resolution in the United Kingdom.
- 152 The Directors shall cause minutes to be made in books provided for the purpose:
- 152.1 of all appointments of officers made by the Directors;
- 152.2 of the names of all the Directors present at each Board meeting and meeting of a committee of Directors;
- 152.3 of all resolutions and proceedings at meetings of the Company and of any class of members of the Company and of the Directors and of any committee of Directors.

The minutes, if purporting to be signed by the chairman of the meeting at which the appointments were made, or the Directors were present, or the resolutions were passed or proceedings held (as the case may be), or by the chairman of the next succeeding meeting of the Company, or class of members of the Company, or Directors or committee (as the case may be), shall be sufficient evidence without any further proof of the facts stated in it.

- 153 All actions done by any Board meeting, or meeting of a committee of Directors, or by a person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any Director, or of the person acting as a Director, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if each of them had been duly appointed, and was qualified and had continued to be a Director and had been entitled to vote.
- 154 The Directors may appoint any person to an office or employment having a title including the word "director" or attach such a title to any existing employment with the Company and may terminate the appointment or the use of the title. The inclusion of the word "director" in the title of any office or employment (other than the office of managing or joint managing or deputy or assistant managing director) does not imply that the employee is a Director and the employee shall not as a result be empowered in any respect to act as a Director or be deemed to be a Director for any of the purposes of these Articles.

### **Secretary**

- 155 The Secretary shall be appointed by the Directors at such remuneration and upon such terms as they think fit. The Secretary may be removed by the Directors. The Directors may appoint an assistant Secretary or assistant Secretaries and temporary substitutes for the Secretary. An assistant Secretary or temporary substitute shall for the purpose of these Articles be deemed to be and may fulfil the duty of the Secretary subject to any limitation prescribed by the Directors.

156 A provision of the Companies Law or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

### **Borrowing**

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

158 The Board must 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 subsidiaries (if any) so as to secure (but as regards subsidiaries only in so far as, by the exercise of the rights or powers of control, the Board can secure) that the aggregate principal amount outstanding of all borrowings by the Group (exclusive of borrowings owing by one member of the Group to another member) does not, without the previous sanction of an ordinary resolution, an amount equal to six times the Adjusted Capital and Reserves.

158.1 For this purpose:

158.1.1 the "**Adjusted Capital and Reserves**" means at any time the aggregate of:

158.1.2 the amount paid up or credited as paid up on the issued share capital of the Company; and

158.1.3 the amount standing to the credit of the reserves (including any share premium account, capital redemption reserve and credit balance on profit and loss account)

all as shown by the then latest audited balance sheet and without making any provision for Goodwill unless already written off against the Company's profit and loss account but after deducting any debit balance on profit and loss account (except to the extent that the deduction has already been made) and making adjustments to reflect any variation in the amount of the paid up share capital, share premium account or capital redemption reserve since the date of the audited balance sheet;

158.1.4 "borrowings" include the following except in so far as otherwise taken into account:

158.1.5 the nominal amount of any issued share capital and the principal amount of any ~~Debentures~~ debentures or borrowed monies of any person, the beneficial interest in which is not owned by a member of the Group and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the Group, but excluding acceptances of trade bills for the purchase of goods in the ordinary course of business;

158.1.6 the outstanding amount raised by acceptances by a bank or accepting house under an acceptance credit opened on behalf of and in favour of a member of the Group, excluding acceptances of trade bills for the purchase of goods in the ordinary course of business;

158.1.7 the principal amount of any Debenture of a member of the Group owned otherwise than by another member of the Group;

- 158.1.8 the principal amount of any preference share capital of a subsidiary owned otherwise than by a member of the Group; and
- 158.1.9 any premium payable on repayment on any borrowing or deemed borrowing; but does not include:
- 158.1.10 borrowings for the purposes of repaying the whole or any part of borrowings by a member of the Group within six months of being borrowed, pending their application for that purpose within that period; and
- 158.1.11 borrowings for the purpose of financing a contract in respect of which any part of the price receivable by a member of the Group is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other Governmental department fulfilling a similar function, to an amount not exceeding the part of the price which is guaranteed or insured;
- 158.1.12 when the aggregate principal amount of borrowings to be taken into account for the purposes of this article on any particular date is being ascertained:
- 158.1.13 monies denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on that date in London or, if the amount of borrowings would as a result be less, at the rate of exchange prevailing in London six months before that date. For this purpose the rate of exchange shall be taken as the middle market rate as at the close of business; and
- 158.1.14 where under the terms of borrowing the amount of money that would be required to discharge the principal amount in full if it fell to be repaid (at the option of the Company or by reason of default) on that date is less than the amount that would otherwise be taken into account in respect of that borrowing for the purpose of this article, the amount of the borrowing shall be taken to be the lesser amount;
- 158.1.15 "audited balance sheet" means the then latest audited balance sheet of the Company prepared for the purposes of the Statutes unless there has then been prepared for those purposes and audited a consolidated balance sheet of the Company and its subsidiaries (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purposes of the Statutes); and in the latter event "audited balance sheet" means the audited consolidated balance sheet, the references to reserves and profit and loss account being references to the consolidated reserves and consolidated profit and loss accounts respectively, any amounts attributable to outside interests in subsidiaries being excluded. The Company may change the accounting convention on which the audited balance sheet is based, provided it complies with the requirements of the Statutes. If the Company prepares its main audited balance sheet on the basis of one convention but a supplementary audited balance sheet or statement on the basis of another, the main audited balance sheet shall be taken as the audited balance sheet for the purposes of this article;
- 158.1.16 the "Group" means the Company and its subsidiaries [including an overseas company](#) (if any).

159 A certificate or report by the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of any borrowings or to the effect that the limit imposed by this article has not been or will not be exceeded at any particular time or times shall be conclusive for the purposes of this article.

160 Notwithstanding the foregoing, no lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this article is observed. No borrowing incurred or security given in excess of the limit shall be invalid or ineffectual, except in the case of express notice to the lender or the recipient of the security given that the limit had been or would be exceeded.

#### **The seal**

161 The Company may have a common seal (the “Seal”) and if the Board resolves to adopt a seal the following articles 162 to 164 shall apply.

162 The Seal shall be used only by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the Seal is affixed. Unless otherwise determined and except as provided in article 12.4, it shall be signed by a Director and by the Secretary or by a second Director or some other person approved by the Board.

163 The Company may have for use in any territory, district or place abroad an official seal which shall bear on its face the Company’s name in legible characters with the addition of the name of the territory, district or place where it is to be used.

164 A document signed by a Director and by the Secretary or another Director and expressed, in whatever form of words, to be executed by the Company shall have the same effect as if it were under seal. A document executed in this way which makes it clear on its face that it is intended to be a deed, in whatever form of words, has effect, upon delivery, as a deed.

#### **Authentication of documents**

165 Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including the Memorandum and Articles of Incorporation) and any resolutions passed by the Company or the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies or extracts as true copies or extracts. Where any books, records, documents or accounts are elsewhere than at the Company's head office, the local manager or other officer of the Company having the custody of them shall be deemed to be a person appointed by the Directors under this article.

#### **Alternate directors**

166 A Director may appoint any other Director or person who is approved by the Board to be an alternate Director, and may remove from office an alternate Director appointed by him.

167 An alternate Director shall be entitled to receive notices of all meetings of the Board and of any committee of the Board of which his appointor is a member and to attend and vote as a Director at any of the meetings at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in the absence of the appointor. When acting also as a Director or as an alternate Director for more than one Director, an alternate Director shall have one vote for every Director he represents, in addition to his own if he is himself a Director, and, where the quorum exceeds two, he shall be considered as two Directors for the purpose of making a quorum.

168 A Director who is resident outside the United Kingdom cannot appoint as his alternate any Director or person resident in the United Kingdom.

- 169 An alternate Director shall cease to be an alternate Director if his appointor ceases for any reason to be a Director. If a Director retires by rotation but is re-elected by the meeting at which the retirement takes effect, an appointment made by him under this article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not retired.
- 170 All appointments and removals of alternate Directors shall be effected by notice in writing by the Director making or revoking the appointment given to the Company at the Office or at a duly convened and held meeting of the Board.
- 171 An alternate Director may be repaid by the Company such expenses as might properly be repaid to him if he were a Director. He shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as his appointor by notice in writing to the Company directs. He shall not otherwise in respect of the appointment be entitled to receive any remuneration from the Company. An alternate Director may be indemnified by the Company to the same extent as a Director.
- 172 An alternate Director shall be an officer of the Company. He shall alone be responsible to the Company for his own acts or defaults and shall not be deemed to be the agent of or for the Director appointing him.

### **Dividends and Distributions**

- 173 The ~~profits of the Company available for~~ may from time to time authorise dividend ~~and resolved~~ to be distributed ~~shall be applied in the payment of dividends~~ to the members in accordance with their respective rights and priorities. The Company may, by ordinary resolution in general meeting, ~~may~~ declare dividends accordingly. No dividend or interim dividend may be paid otherwise than in accordance with the procedure set out in the Companies Law.
- ~~174 No dividend shall be payable except out of the profits of the Company (including profits set aside to any reserve fund) or in excess of the amount recommended by the Directors.~~
- 174 The declaration of the Directors as to the amount of the dividend available shall be final and conclusive.
- 175 Dividends must be declared and paid according to the amounts paid on the shares in respect of which the dividends are paid. For the purposes of this article, no amount paid on a share in advance of calls shall be treated as paid on the share. Dividends shall be apportioned and paid pro rata according to the amounts paid on the shares during any portions of the period in respect of which the dividend is paid but, if any share is issued on terms providing that it ranks for dividend as from a particular date, the share shall rank for dividend accordingly.
- 176 The Directors may pay such interim dividends as appear to them to be justified by the profits in accordance with the provisions of the ~~Company~~ Companies Law. If the capital of the Company is divided into different classes of shares the Directors may pay interim dividends in respect of those shares which confer on the holders deferred or non-preferred rights as well as in respect of those shares which confer on the holders preferential or special rights with regard to dividends. Provided that the Directors act bona fide, they shall not incur any responsibility to the holders of any shares for any damage that they suffer by reason of the payment of an interim dividend on any shares. The Subject to the Companies Law, the Directors may also pay half yearly or at other suitable intervals to be settled by them any dividend which is payable at a fixed rate if they are of the opinion that ~~the profits justify the payment~~ it is justified to do so.

- 177 A general meeting declaring a dividend or bonus may direct payment of the dividend or bonus wholly or partly by the distribution of specific assets and, in particular, of paid up shares or ~~Debentures~~ debentures of another company or in any one or more of these ways. The Directors shall give effect to the resolution and, where a difficulty arises in regard to the distribution, the Directors may settle it as they think expedient. In particular, ~~they~~ they may issue certificates in respect of fractions and fix the value for distribution of specific assets, may determine that cash payments are made to any members upon the footing of that value in order to adjust the rights of all parties and may vest the assets in trustees as may seem expedient to the Directors.
- 178 ~~A resolution of the~~ The Company or of the Directors ~~in~~ in declaring a dividend ~~may~~ may specify any date as the record date for the dividend, ~~whether or not prior to the date on which the resolution is passed.~~
- 179 The Directors may deduct from any dividend or bonus payable to a member any sums presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.
- 180 No unpaid dividend, bonus or interest shall bear interest as against the Company.
- 181 The Directors may retain any dividends and bonuses payable on shares on which the Company has a lien permitted by the Statutes and may apply them in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- 182 The Directors may retain the dividends and bonuses payable upon shares in respect of which any person is, under the provisions of these Articles relating to the transmission of shares, entitled to become a member, or which any person under those provisions is entitled to transfer, until he becomes a member in respect of the shares or duly transfers them.
- 183 A dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled to it, or by direct bank transfer to such bank account as the member or person entitled to it directs, and in case of joint holders to any one of them or to such person and such address or such bank account as the joint holders may direct. The cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the member, person entitled or joint holders direct. Payment of the cheque or warrant shall be a good discharge to the Company. Every cheque or warrant shall be sent at the risk of the person entitled to the money which it represents.
- 184 If several persons are registered as joint holders of a share, any one of them may give an effectual receipt for any dividend or other monies payable on or in respect of the share.
- 185 All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Dividends unclaimed for 12 years after the date they were declared or they became due for payment shall, unless the Directors otherwise resolve, be forfeited and revert to the Company.
- 186 The Directors may pay distributions in accordance with the Companies Law. Articles 178 to 185 shall apply in respect of any distribution, as if references in such Articles to "dividends" were references to distributions.

### **Scrip dividends**

- 187 Subject to compliance with the Companies Law, the Directors may, if authorised by an ordinary resolution, offer any holders of ordinary shares one or more of the following options:

- 187.1 instead of taking the net cash amount due to them in respect of all or any part (to be determined by the Directors) of any dividend declared or payable on any ordinary shares held by them, either to invest the cash in subscribing for unissued ordinary shares, payable in full or by instalments, or in paying up in full or by instalments any unpaid or partly paid ordinary shares held by them; or
- 187.2 instead of taking the net cash amount due to them in respect of all or any part (to be determined by the Directors) of any dividend declared or payable on any ordinary shares held by them, to elect to receive new ordinary shares credited as fully paid; or
- 187.3 to forego their entitlement to all or any part (to be determined by the Directors) of any dividend declared or payable on any ordinary shares held by them and to take instead fully paid bonus ordinary shares; or
- 187.4 any other option in respect of all or any part (to be determined by the Directors) of any dividend on any ordinary shares held by them as the Directors determine.
- 188 In relation to the above options, the following provisions apply:
- 188.1 the ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period;
- 188.2 the entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement shall be, as nearly as possible, equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that the holder elects to forego. In calculating the entitlement, the Directors may, at their discretion, adjust the figure obtained by dividing the relevant value by the amount payable on the ordinary shares up or down so as to procure that the entitlement of each shareholder to new ordinary shares is represented by a simple numerical ratio. For this purpose, "relevant value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on the London Stock Exchange as derived from the Daily Official List, on such five consecutive dealing days as the Directors determine, provided that the first day is on or after the day on which the ordinary shares are first quoted "ex" the relevant dividend, or in such other manner as may be determined by or in accordance with the ordinary resolution;
- 188.3 on or as soon as practicable after announcing that they are to declare or recommend any dividend the Directors, if they intend to offer an election in respect of that dividend, shall also announce that intention and shall, after determining the basis of allotment if they decide to proceed with the offer, notify the holders of ordinary shares in writing of the right of election offered to them and specify the procedure to be followed and the place at which and the latest time by which elections must be lodged in order for elections to be effective;
- 188.4 the Directors may exclude from any offer any holders of ordinary shares where the Directors believe that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them;
- 188.5 the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on ordinary shares in respect of which an election has been made (the "elected ordinary shares") and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment calculated as stated above. For this purpose the Directors may capitalise, out of any amount standing to the credit of any reserve or fund (including the profit and loss account, share premium account, capital redemption reserve or any other undistributable reserve) whether or not it is available for distribution as the Directors determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the

appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis;

- 188.6 the additional ordinary shares when allotted shall rank pari passu in all respects with the fully paid ordinary shares then in issue except that they will not be entitled to participate in the relevant dividend or in that part of the dividend in respect of which the right of election was offered;
- 188.7 the Directors may also from time to time establish or vary a procedure for election mandates, under which a holder of ordinary shares may elect to receive ordinary shares credited as fully paid instead of cash in respect of all future rights offered to that holder under this article until the election mandate is revoked or deemed to be revoked in accordance with the procedure;
- 188.8 the Directors may undertake and do such acts and things as they consider necessary or expedient for the purpose of giving effect to this article including (without limitation) making such provisions as they think fit in relation to any fraction of an ordinary share which may or would arise from the application of this article (including provisions whereby, in whole or in part, fractional entitlements are disregarded and the benefit of them accrues to the Company rather than to the shareholders concerned or under which fractional entitlements are accrued or retained and in each case accumulated on behalf of any shareholder and the accruals or retentions are applied to the allotment of fully paid ordinary shares by way of bonus to, or cash subscription on behalf of, the shareholder).

### **Reserves**

189 [\[Intentionally left blank\]](#).

~~189 The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied. Pending application the sum reserved may either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors think fit. The Directors may, without placing them to reserve, carry forward any profits which they think it prudent not to divide.~~

### **Discovery and secrecy**

190 No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter in the nature of a trade secret or secret process which relates to the conduct of the business of the Company and which, in the opinion of the Directors, it would be inexpedient in the interests of the members of the Company to communicate to the public.

### **Accounts**

191 The Directors shall cause accounts to be kept in accordance with the Companies Law and which show:

- 191.1 the sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
- 191.2 all sales and purchases of goods by the Company; and
- 191.3 the assets and liabilities of the Company.

- 192 The books of account shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to the inspection of the Directors. No member (other than as Director) shall have any right of inspecting any account, book or document of the Company except as conferred by law or authorised by the Directors or by the Company in general meeting.
- 193 The Directors shall not be bound, unless expressly instructed so to do by a special resolution of the Company in general meeting, to publish any list or particulars of the securities or investments held by the Company or to give to any shareholder any information relating to them.
- 194 Once at least in every year the Directors shall lay before the Company in an annual general meeting a profit and loss account giving a true and fair view of the profit or loss of the Company for the financial year to which it relates and a balance sheet giving a true and fair view of the state of affairs of the Company as at the date at which it is made out and containing a general summary of the capital, the assets and the liabilities of the Company arranged under suitable heads. If the Company is a holding company as defined by the Companies Law, there shall also (except in so far as the Directors resolve otherwise) be laid before the Company in general meeting a consolidated balance sheet dealing with the state of affairs at the end of the Company's financial year of the Company and its then subsidiary undertakings and a consolidated profit and loss account dealing with the profit or loss for the Company's financial year of the Company and its then subsidiary undertakings. The Directors shall in preparing every such profit and loss account and balance sheet and consolidated profit and loss account and consolidated balance sheet have regard to the applicable provisions of the Companies Law.
- 195 Every balance sheet, profit and loss account, consolidated balance sheet and consolidated profit and loss account shall be signed in such manner as is required by the Companies Law. There shall be attached to the balance sheet a report by the Directors as required by the Companies Law.
- 196 A copy of the report by the Directors and of the Auditors' report, accompanied by the balance sheet (including every document required by law to be annexed or attached to it), and profit and loss account, consolidated balance sheet and consolidated profit and loss account, shall, at least 21 days before the annual general meeting, be delivered or sent by Electronic Communications or by means of a website or by post or to the registered address of every member and every holder of ~~Debentures~~ [debentures](#) of the Company or shall be delivered otherwise as required under the Companies Law. If any shares or securities of the Company are admitted to trading listed or dealt in on any stock exchange or trading facility such number of copies of each of these documents as the regulations of that stock exchange or trading facility may require shall be forwarded to that stock exchange or trading facility.

### **Auditors**

- 197 The Company shall at each annual general meeting appoint Auditors to hold office until the next annual general meeting.
- 198 No Director or other officer of the Company and no person who is a partner of or in the employment of an officer of the Company, and no corporation may be appointed as an Auditor. The duties of the Auditors shall be regulated in accordance with the Companies Law.
- 199 Subject to the provisions of the Companies Law, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that at the time of his appointment he was not qualified for appointment.

## Notices

- 200 Any notice or document may be served by the Company on any member either personally or by sending it through the post in a prepaid letter addressed to him at his registered address as appearing in the register of members. In the case of joint holders of a share, notices shall be given to that one of the joint holders whose name stands first in the register of members and notice given to him shall be sufficient notice to all the joint holders.
- 201 Any notice or other document, if served by post, shall be deemed to have been served in accordance with the Companies Law. In proving service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped and posted.
- 202 Any notice or document delivered or sent by post to or left at the registered address of any member shall, notwithstanding that the member is then dead or bankrupt and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in his name as sole or joint holder, unless at the time of the service of the notice or document his name has been removed from the register as the holder of the share. The service shall for all purposes be deemed a sufficient service of the notice or document on all persons interested in the share (whether jointly with or as claiming through or under him).
- 203 A notice required to be given by the Company to members and not expressly provided for by these Articles shall be sufficiently given if given by advertisement. A notice required to be or which may be given by advertisement shall be advertised once in one national daily newspaper and shall be taken as given on the day on which the advertisement appears. If by reason of the suspension or curtailment of postal services the Company is unable effectively to convene a general meeting by notice sent through the post, it may be convened by notice advertised in at least two leading daily newspapers with appropriate circulation, of which one is a leading London daily newspaper. The notice shall be deemed to have been duly served on all members entitled to it at noon on the day when the advertisement appears. The Company shall send confirmatory copies of the notice by post if at least 48 hours prior to the meeting the posting of notices to addressees within the United Kingdom again becomes practicable.
- 204 Every person who by operation of law, transfer or other means becomes entitled to any share shall be bound by every notice in respect of the share which, prior to his name and address being entered in the register of members, has been duly given to the person from whom he derives his title other than a notice given under article 97.
- 205 A member of the Company who holds shares on behalf of another person may nominate that person to enjoy Information Rights.
- 205.1 The Company need not act on a nomination purporting to relate to certain Information Rights only.
- 205.2 If the person to be nominated to enjoy Information Rights wishes to receive hard copy communications, the member must (a) notify the Company of that fact at the time of the nomination, and (b) provide an address to which such copies may be sent. If no such notification is given (or no address is provided), the nominated person is taken to have agreed that documents or information may be sent or supplied to him by the Company by means of a website. That agreement may be revoked in writing by the nominated person or by the member.
- 205.3 The nomination may be terminated at the request of the member or of the nominated person.
- 205.4 The nomination ceases to have effect on the occurrence in relation to the member or the nominated person of any of the following: (a) in the case of an individual, death or bankruptcy;

(b) in the case of a body corporate, dissolution or the making of an order for the winding up of the body otherwise than for the purposes of reconstruction.

205.5 The effect of any nominations made by a member is suspended at any time when there are more nominated persons than the member has shares in the Company.

205.6 Where: (a) the member holds different classes of shares with different information rights, and (b) there are more nominated persons than he has shares conferring a particular right, the effect of any nominations made by him is suspended to the extent that they confer that right.

205.7 Where the Company: (a) enquires of a nominated person whether he wishes to retain information rights, and (b) does not receive a response within the period of 28 days beginning with the date on which the Company's enquiry was sent, the nomination ceases to have effect at the end of that period. Such an enquiry is not to be made of a person more than once in any twelve month period.

205.8 The termination or suspension of a nomination means that the Company is not required to act on it. It does not prevent the Company from continuing to do so, to such extent or for such period as it thinks fit.

205.9 Where the Company sends a copy of a notice of a meeting to a person nominated to enjoy Information Rights the copy of the notice must be accompanied by a statement that: (a) he may have a right under an agreement between him and the member by whom he was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting, and (b) if he has no such right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

205.10 Where the Section 223 of the Companies Law (notice of meeting to contain statement of member's rights in relation to appointment of proxy) does not apply to the copy, and the Company will either: (a) omit the notice required by that section, or (b) include it but state that it does not apply to the nominated person.

### **Electronic communication by the Company**

206 Any document required under these Articles, the Companies Law or otherwise required to be sent by the Company to the members or their proxies may be sent in electronic format or communicated by means of a website.

207 The members consent to the receipt of Electronic Communications to an address specified and provided to the Company for that purpose when such an address is provided to the Company.

208 The members consent to the receipt of Electronic Communications by means of a website provided that the Electronic Communications are made in accordance with the Companies Law and are available in a form, and by a means, that the Company reasonably considers will enable the recipient to read it and retain a copy of it and provided that the Company notifies the recipient of:

208.1 the presence of the document on the website;

208.2 the address of the website;

208.3 the place on the website where it may be accessed; and

208.4 how to access the document.

- 209 If the notice referred to in article 208 is in relation to a notice of a Company meeting, the notification must state that it concerns a notice of a Company meeting and specify the place, date and time of the meeting.
- 210 For the purposes of any notice period requirements in these Articles or the Companies Law, an Electronic Communication is taken to have been sent on the date on which the notification required by article 208 is sent, or, if later, the date on which the document first appears on the website after that notification is sent.
- 211 The Electronic Communication must be made available by the Company on the website throughout the period specified by the applicable provisions of the Companies Law or these Articles, or, if no such period is specified, the period of 28 days beginning with the day on which the notification required under article 208 is sent to the member.
- 212 For the purposes of articles 205 to 212, members are required to confirm receipt of any Electronic Communication and, failing confirmation of receipt, will be deemed to have received any Electronic Communication when it is sent unless the member provides notification to the Company within 7 days of the Electronic Communication being sent that the member has not received the Electronic Communication

### **Communication to the Company**

- 213 A notice or document or information is validly sent or supplied by a member to the Company in hard copy form if it is sent or supplied by hand or by post (in a prepaid envelope) to:
- 213.1 an address specified by the Company for the purpose;
- 213.2 the Company's registered office; or
- 213.3 an address to which any provision of the Statutes authorise the document or information to be sent or supplied.
- 214 A notice or document or information may only be sent or supplied by a member to the Company by means of Electronic Communication if the Company has notified the members that the notice or document or information may be sent or supplied in that form (and not revoked that agreement) and if it is authenticated in such manner as the Directors may determine from time to time.
- 215 Subject to article 200, where a notice or document or information is sent or supplied by Electronic Communication, it may only be sent or supplied to an address:
- 215.1 specified for the purpose by the Company (generally or specifically); or
- 215.2 deemed by a provision of the Companies Law to have been so specified.
- 216 Subject to article 214, where a notice or document or information is sent or supplied by Electronic Communications by hand or by post, it must be sent or supplied to an address to which it could validly be sent if it were in hard copy form.

### **Winding up**

- 217 If the Company shall be wound up, the surplus assets remaining after payment of all creditors, including the repayment of bank borrowings, shall be divided *pari passu* among the members *pro rata* to their holdings of those shares which are subject to the rights of any shares which may be issued with special rights or privileges.

- 218 If the Company shall be wound up the Liquidator may with the authority of a special resolution divide among the members *in specie* the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may with the like authority vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no member shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.
- 219 Where the Company is proposed to be or is in course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company (the “**transferee**”) the Liquidator may, with the sanction of an ordinary resolution, conferring either a general authority on the Liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares policies or other like interests in the transferee for distribution among the members or may enter into any other arrangement whereby the members may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee.

### **Take-Over Offers for the Company**

- 220 The following provisions of the Article 220 apply whenever the Company is not subject to the City Code on Takeovers and Mergers of the United Kingdom (or any modifications, re-enactments or replacements thereof for the time being in force):
- 220.1 Where any person is interested, whether as a result of series of transactions over a period of time or not, in shares which (taken together with shares held or acquired by persons acting in concert with him) represent 30 per cent or more of all the voting shares for the time being in issue, the Directors may serve upon that person a notice (a “**Mandatory Offer Notice**”) requiring him to make an offer in writing (the “**Offer**”), within 30 days of the date of such Mandatory Offer Notice on the basis set out in the following paragraphs, to the holders of every class of share capital of the Company (whether voting or non-voting) to purchase all such shares for cash on terms that payment in full therefor will be made within 21 days of the Offer becoming or being declared unconditional in all respects.
- 220.2 Where the Directors serve a Mandatory Offer Notice upon any person in accordance with Article 220.1, they may also include in that Mandatory Offer Notice a requirement that such person shall make an appropriate offer or proposal in writing to the holders of every class of securities convertible into, or of rights to subscribe for, share capital of the Company (whether such share capital is voting or non-voting). Such appropriate offer or proposal is referred to in Article 220 as a “**Convertible Offer**”. The Convertible Offer shall be made at the same time as the Offer. The terms of the Convertible Offer shall be such terms as the Directors, in their absolute discretion, consider to be fair and reasonable having regard to the terms of the Offer and the Directors shall notify such terms to the person specified in Article 220.1 (the “**Offeror**”).
- 220.3 In addition to the Offeror, the Directors may in the Mandatory Offer Notice require, in their absolute discretion, each of the principal members of a group of persons acting in concert with him and who appear to be interested in any shares in, or convertible securities of, the Company to make the Offer and/or the Convertible Offer. For the purposes of this Article, persons shall be deemed to be acting in concert if, pursuant to an agreement or understanding (whether formal or informal) they actively co-operate in acquiring or seeking to acquire shares in, or convertible securities of, the Company.

- 220.4 Unless the Directors otherwise agree, an offer made under Articles 220.1, 220.2 or 220.3 must, in respect of each class of share capital or convertible securities involved, be in cash or be accompanied by a cash alternative offer at not less than the highest price paid by the Offeror or any person acting in concert with him for shares or convertible securities of that class within the preceding 12 months. If such price cannot be ascertained by the Directors or if such shares or convertible securities have been acquired other than for cash pursuant to a bargain made on any recognised stock exchange or if the Directors consider that such highest price is, for any reason, inappropriate, unfair or unreasonable having regard to the size and timing of the relevant purchases, the relationship (if any) between the seller and purchaser of such shares or convertible securities or the number of shares or convertible securities purchased in the preceding 12 months, the Directors may, in any such case, fix the price at which the Offer, the Convertible Offer or the cash alternative offer is to be made. The cash Offer, the cash Convertible Offer or the cash alternative offer must, in each case, remain open for not less than 14 days after the date on which the Offer or the Convertible Offer, as the case may be, has become or is declared to be unconditional as to acceptances. The Offer must also be conditional only on the Offeror having received acceptances in respect of shares in the Company which, together with shares in the Company acquired or agreed to be acquired before or during the Offer, will result in the Offeror and any person acting in concert with him holding shares in the Company which carry more than 50 per cent. of the voting rights in the Company.
- 220.5 If the Offeror (or any person deemed to be acting in concert with the Offeror) has been duly served with a Mandatory Offer Notice and is/are in default in complying with the Mandatory Offer Notice after the period prescribed in the Mandatory Offer Notice, the Directors may at any time, by notice (a “**Direction Notice**”) to the Offeror (and any person deemed to be acting in concert with the Offeror) (the “**Defaulting Shareholders**”), direct that, whilst the Defaulting Shareholders are in breach of the Mandatory Offer Notice:
- 220.5.1 the Defaulting Shareholders (the “**Default Shares**”) are not entitled to vote or attend at, either personally or by proxy, a general meeting or a meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to general meetings of the holders of any class of shares of the Company; and/or
- 220.5.2 any dividend or other money which would otherwise be payable to the Defaulting Shareholders shall (in whole or part) be retained by the Company without any liability to pay interest when the dividend or money is paid to the member; and/or
- 220.5.3 no transfer of any shares in the Company held by any of the Defaulting Shareholders.
- 220.6 For the purposes of this Article 220, subject to Articles 220.7 to 220.10 any questions or disputes arising out of the grant of consent by the Directors, to comparability of offers, the terms of offers, any question as to whether any person shall be regarded as acting in concert with another, and any question regarding the interpretation or application of this Article 220 shall be determined by the Directors in their absolute discretion.
- 220.7 For the purposes of this Article 220, a person is taken to be interested in any shares in which his spouse or any infant child or stepchild of his is interested;
- 220.8. For the purposes, a person is taken to be interested in shares if a body corporate is interested in them and:-

- 220.8.1 that body or its directors are accustomed to act in accordance with his directions or instructions, or
- 220.8.2 he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of that body corporate.
- 220.9 Where a person is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of a body corporate and that body corporate is entitled to exercise or control the exercise of any of the voting power at general meetings of another body corporate (“the effective voting power”) then, for purposes of Article 220.8.2, the effective voting power is taken as exercisable by that person.
- 220.10 For purposes of Articles 220.8 and 220.9, a person is entitled to exercise or control the exercise of voting power if-
- 220.10.1 he has a right (whether subject to conditions or not) the exercise of which would make him so entitled, or
- 220.10.2 he is under an obligation (whether or not so subject) the fulfilment of which would make him so entitled.
- 220.11 The members of the Company may, by passing a special resolution in general meeting, determine that the provisions of Articles 220.1 to 220.10 inclusive shall not apply to any transaction specified in such special resolution.

## **Indemnity**

221 Subject to the provisions of the Companies Law, the Company may:

- 221.1 indemnify to any extent any person (which shall include any company) who is or was a director or officer of the Company, or a director or officer of any associated company, or a director or officer of any associated company being a trustee of any pension scheme (including any employee pension fund or benefits trust), directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any loss or liability whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company, or any associated company or trustee of a pension scheme; and/or
- 221.2 purchase and maintain insurance for any person (which shall include any company) who is or was a director or officer of the Company, or a director or officer of any associated company, or a director or officer of any associated company being a trustee of any pension scheme (including any employee pension fund or benefits trust), against any loss of liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company or a director of any associated company being a trustee of a pension scheme.