

Company No: 05386273

THE COMPANIES ACTS

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

OXFORD NANOPORE TECHNOLOGIES PLC

(Adopted on [•] 2021)



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1. PRELIMINARY

- 1.1 These Articles shall supersede all others which were in place prior to the date of adoption of these Articles.
- 1.2 In these Articles the following expressions shall have the following meanings unless inconsistent with the context -

- “A LAT Share”** means the class A “limited anti-takeover” share of £1.00 in the capital of the Company, constituting a separate class of share and having the rights and being subject to the restrictions set out in these Articles;
- “Acquirer”** has the meaning ascribed to it in the definition of “Majority Change of Control” or “Special Change of Control”;
- “Active LAT Share”** means:
- (a) if a GS Disqualifying Event has never occurred, the A LAT Share;
 - (b) if a GS Disqualifying Event has at any time occurred but a JW Disqualifying Event has never occurred, the B LAT Share; and
 - (c) if a GS Disqualifying Event and a JW Disqualifying Event have both, at any time, occurred but a CB Disqualifying Event has never occurred, the C LAT Share;
- “Affiliate”** means: (i) in relation to a body corporate, any subsidiary, subsidiary undertaking or holding company of such body corporate, and any subsidiary or subsidiary undertaking of any such holding company for the time being; and (ii) in relation to a director, any persons connected with that director (within the meaning of section 252 Companies Act 2006);

“B LAT Share”	means the class B “limited anti-takeover” share of £1.00 in the capital of the Company, constituting a separate class of share and having the rights and being subject to the restrictions set out in these Articles;
“Buying Notice”	has the meaning ascribed to it in Article 12.5(B);
“C LAT Share”	means the class C “limited anti-takeover” share of £1.00 in the capital of the Company, constituting a separate class of share and having the rights and being subject to the restrictions set out in these Articles;
“Called Price”	has the meaning ascribed to it in Article 16.2;
“CB Disqualifying Event”	means any circumstance in which Mr Clive Brown: <p>(a) ceases, for any reason, to be a director or employee of the Company or any Group Company, including by reason of his death; or, if earlier,</p> <p>(b) serves on the Company or any relevant Group Company, or is served with by the Company or any relevant Group Company, notice of termination or cessation of his final remaining appointment as a director or engagement as an <i>employee of the Company or any Group Company</i>, or is provided with a payment in lieu of notice in respect of the same, irrespective of whether or not he is placed on garden leave (or equivalent);</p>
“the Companies Acts”	means the Companies Acts (as defined in Section 2 of the Companies Act 2006), in so far as they apply to the Company;
“the Company”	means Oxford Nanopore Technologies plc;
“Compulsory Purchase Notice”	means a notice served by the directors requiring that the Shares specified therein be sold to the Company at the Transfer Price;
“Compulsory Transfer Notice”	means a notice served by the directors requiring that the Shares specified therein be sold to any person or persons nominated by the directors and specified therein at the Transfer Price;
“Connected Member”	means (1) a member who acquired Shares as, or in pursuance of a right or opportunity obtained by, an employee or a director of, or a Consultant to, a Group Company or (2) a member who shall have acquired Shares directly or indirectly pursuant to one or more Permitted Transfers under Article 10.1(A) or 10.1(B) (including where such Shares were subscribed by such member and that member would have been entitled to

receive a Permitted Transfer under Article 10.1(B)) from a member who acquired Shares as, or in pursuance of a right as opportunity obtained by, an employee or a director of, or a Consultant to, a Group Company;

“Connected Persons” means: (i) any Shareholder, director of, or person exercising significant influence over the management of affairs of, any member of the Group; or (ii) any Affiliate of the foregoing, in each case, from time to time (but excluding any member of the Group);

“Consultant” means any person who is providing consultancy services to a Group Company;

“electronic facility” includes (without limitation) website addresses and conference call systems and any device, system, procedure, method or other facility providing an electronic means of attendance at and/ or participation in a general meeting of the Company decided by the board under these Articles and available in respect of that meeting;

“Family Trust” as regards any particular individual member or deceased or former individual member, means a trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than that individual and/or Privileged Relations of that individual, and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trust or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;

“Fund” means a fund, partnership, company, syndicate, collective investment scheme or other entity whose business is managed by a Fund Manager;

“Fund Manager” means a person whose principal business is to make, manage or advise upon investments in securities;

“the Group” means the Company and its subsidiaries;

“Group Company”	means a company which is a member of the Group and includes the Company, whether or not it has any subsidiaries at the relevant time;
“GS Disqualifying Event”	<p>means any circumstance in which Dr. Gordon Sanghera:</p> <p>(a) ceases, for any reason, to be a director or employee of the Company or any Group Company, including by reason of his death; or</p> <p>(b) serves on the Company or any relevant Group Company, or is served with by the Company or any relevant Group Company, notice of termination or cessation of his final remaining appointment as a director or engagement as an employee of the Company or any Group Company, or is provided with a payment in lieu of notice in respect of the same, irrespective of whether or not he is placed on garden leave (or equivalent);</p>
“IP Group”	means the group of companies consisting of IP Group plc (registered number 4204490) and its subsidiaries from time to time;
“JW Disqualifying Event”	<p>means any circumstance in which Dr. James Willcocks:</p> <p>(a) ceases, for any reason, to be a director or employee of the Company or any Group Company, including by reason of his death; or</p> <p>(b) serves on the Company or any relevant Group Company, or is served with by the Company or any relevant Group Company, notice of termination or cessation of his final remaining appointment as a director or engagement as an employee of the Company or any Group Company, or is provided with a payment in lieu of notice in respect of the same, irrespective of whether or not he is placed on garden leave (or equivalent);</p>
“LAT Shares”	means the A LAT Share, the B LAT Share and the C LAT Share;
“Majority Change of Control”	means the acquisition (whether by purchase, transfer or otherwise but excluding a subscription of Shares or a transfer of Shares made in accordance with Article 10 (Permitted Transfers)) by any person, including a member of the Company (an “Acquirer”), of any interest in any Shares if, upon completion of that acquisition, the Acquirer, together with persons acting in concert or connected with him, would hold or beneficially own more than 50 per cent of the Shares;

"meeting"	<p>(A) shall refer to a meeting convened and held in any manner permitted by these articles, including a general meeting of the company at which any of those entitled to be present attend and participate by means of an electronic facility and/or attend and participate at a satellite meeting, and such persons shall be deemed to be present at that meeting for all purposes of the Companies Acts and these articles and "attend", "attending", "attendance", "participate", "participating" and "participation" shall be construed accordingly; and</p> <p>(B) shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person;</p>
"member"	means a holder of Shares;
"a Member of the same Fund Group"	means in relation to a Fund: <p>(A) any other Fund managed by the Fund Manager of that Fund; or</p> <p>(B) any Member of the same Group as the Fund Manager of that Fund; or</p> <p>(C) any person certified by that Fund as the trustee, nominee or custodian of that Fund;</p>
"a Member of the same Group"	as regards any company, means a company which is for the time being a holding company or a subsidiary of that company or of any such holding company;
"Non-Pre-Emptive Buyer"	has the meaning ascribed to it in Article 12.9;
"Non-Pre-Emptive Seller"	has the meaning ascribed to it in Article 12.9;
"Non-Pre-Emptive Transfer"	means a non-pre-emptive transfer conducted in accordance with Article 12;
"Non-Pre-Emptive Transfer Share"	has the meaning ascribed to it in Article 12.6;

“non-pre-emptive transfer notice”	means a notice in accordance with Article 12 that a member desires to transfer his Shares pursuant to the mechanism set out in Article 12;
“Notification Date”	has the meaning ascribed to it in Article 12.3;
“Ordinary Shares”	<i>means the ordinary shares of £0.0001 each in the capital of the Company from time to time;</i>
“Permitted Transfer”	means a transfer of Shares authorised by Article 10;
“Privileged Relation”	in relation to an individual member or deceased or former individual member, means the husband or wife or the widower or widow of such member and all the lineal descendants and ascendants in direct line of such member and the brothers and sisters of such member and their lineal descendants and a husband or wife or widower or widow of any of the above persons and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant;
“Relevant Shares”	(so far as the same remain for the time being held by the trustees of any Family Trust or by any Transferee) means the Shares originally acquired by such trustees or Transferee and any additional Shares issued to such trustees or Transferee by way of capitalisation or acquired by such trustees or Transferee in exercise of any right or option granted or arising by virtue of the holding of such Shares or any of them or the membership thereby conferred;
“Selling Notice”	has the meaning ascribed to it in Article 12.5(A);
“Share”	means a share in the capital of the Company for the time being in issue;
“Shareholder”	means a holder of Shares;
“Special Change of Control”	means the acquisition (whether by purchase, transfer or otherwise but excluding a subscription of Shares or a transfer of Shares made in accordance with Article 10 (Permitted Transfers)) by any person, including a member of the Company (an “Acquirer”), of any interest in any Shares if, upon completion of that acquisition, the Acquirer, together with persons acting in concert or connected with him, would hold or beneficially own more than 75 per cent of the Shares;
“Table A”	means the regulations for public companies limited by shares contained in Table A in the Companies (Tables A-F) Regulations 1985 as amended by the Companies (Tables A-F) (Amendment) Regulations 1985, the Companies Act 1985

(Electronic Communications) Order 2000, the Companies (Table A to F) (Amendment) Regulations 2007 and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007, and which are annexed to these Articles;

“Total Transfer Condition”	has the meaning ascribed to it in Article 13.3;
“Transferee”	means a company or entity for the time being holding Shares in consequence, directly or indirectly, of a transfer or series of transfers of Shares between Members of the same Group or between Members of the same Fund Group (as the case may be), the relevant Transferor in the case of a series of such transfers being the first transferor in such series;
“Transferor”	means a company or entity (other than a Transferee) which has transferred or proposes to transfer Shares to a Member of the same Group or to a Member of the same Fund Group (as the case may be);
“transfer notice”	means a notice in accordance with Article 13 that a member desires to transfer his Shares;
“Transfer Price”	has the meaning ascribed to it in Article 13.7;
“Transfer Shares”	has the meaning ascribed to it in Article 13.2; and
“University”	means the Chancellor, Masters and Scholars of the University of Oxford.

1.3 References to statutory provisions in these Articles shall be deemed also to refer to any statutory provisions amending or replacing the same.

2. TABLE A

2.1 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded, varied or inconsistent) and the Articles hereinafter contained shall be the regulations of the Company.

2.2 Regulations 38, 40, 41, 45, 54, 60, 61, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.

2.3 For the purposes of these Articles, Table A shall be amended such that:

- (A) the defined term “**Act**” shall mean, “*Companies Acts (as defined in Section 2 of the Companies Act 2006), in so far as they apply to the Company*”;
- (B) Regulation 67 shall be amended so to read: “*An alternate director shall cease to be an alternate director if his appointor ceases to be a director*”;

(C) Regulation 81 shall be amended such that:

- (i) limb (c) is deleted in its entirety and replaced with the following: *“he is, or may be, suffering from mental or physical ill health and the board of directors resolves that their office is vacated”*; and
- (ii) the following additional wording is inserted after limb (e):
 - (f) *“a notice in writing removing the person as a director is sent to or received at the office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a meeting of the board of directors, and such notice is given by all of the other directors and all of the other directors are not less than three in number; and*
 - (g) *by notice in writing sent to or received at the office or at an address specified by the company for the purposes of communication by electronic means or tendered at a meeting of the board, the directors offers to resign and the board resolves to accept such offer and the resignation becomes effective.*

If the office of a director is vacated for any reason, that person shall cease to be a member of any committee or sub-committee of the board”; and

(D) Regulation 84 shall be amended such that the final line is removed.

3. LIABILITY OF MEMBERS

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

4. CLASSES OF SHARES

4.1 Without prejudice to Regulation 2 of Table A and subject to the provisions of the Companies Acts and Article 4.2, the Company shall be authorised to issue and allot Ordinary Shares.

4.2 No Share issued by the Company shall, without the prior written consent of the holder of the Active LAT Share (if any), have attached thereto (either at the time of the creation thereof or at any subsequent time) any rights in respect of voting which are not identical in all respects to those attached to the Ordinary Shares.

5. VARIATION OF RIGHTS ATTACHING TO SHARES

5.1 Subject to the provisions of the Companies Acts and Article 5.2, all or any of the rights attached to any existing class of Shares may from time to time be varied either with the written consent of the holders of not less than 75 per cent in nominal value of the Shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of those Shares. All the provisions of these Articles as to general

meetings of the Company shall, with any necessary modifications, apply to any such separate general meeting.

5.2 The rights attached to the LAT Shares (or any class of them) shall not be capable of being varied or abrogated in any respect whatsoever without the prior written consent of the holder of each affected class of the LAT Shares. Without prejudice to the generality of the foregoing, the rights conferred upon the holder of the LAT Shares shall be deemed to be varied by:

- (A) the creation, allotment or issue of any further LAT Shares;
- (B) the passing of a resolution by the Company the effect of which would be to attach or to authorise the attachment to any share in the Company (whether issued or unissued) of any voting rights which are not identical in all respects to those attached to the Ordinary Shares;
- (C) any variation or amendment of Articles 4, 5, 6, 9.1-9.2, 10, 12, 13.1, 14-17 or 26 (to the extent the LAT Shares, or any of them, are referred to) or Article 29 (including, without limitation, by virtue of the introduction of provisions conflicting with or seeking to supersede those Articles), or any act, matter or omission in breach of, or contrary to, those Articles, to the extent the LAT Shares, or any of them, are referred to therein;
- (D) the purchase or redemption of the LAT Shares (or any of them) otherwise than in accordance with Articles 29.6, 29.7 or 29.8; and
- (E) the passing of a resolution by the Company, or the making of an order by a court of competent jurisdiction, for the winding-up or the dissolution of the Company.

5.3 All the provisions of these Articles as to general meetings of the Company shall apply to any separate general meeting for the holders of a class of Shares, except that:

- (A) no member is entitled to notice of the meeting or to attend unless that member is a holder of Shares of that class;
- (B) no vote may be cast except in respect of a Share of that class;
- (C) the quorum at a meeting (other than an adjourned meeting) is two qualifying persons present and holding at least one-third in nominal value of the issued Shares of that class (excluding any Shares of that class held as treasury shares) except for in the case of each class of the LAT Shares, in which case, the necessary quorum shall be the holder of that class of the LAT Shares;
- (D) the quorum at an adjourned meeting is one qualifying person present and holding Shares of that class; and
- (E) any qualifying person holding Shares of that class present may demand a poll.

5.4 Regulation 33 of Table A shall not apply in respect of the LAT Shares.

6. LIEN

The lien conferred by Regulation 8 of Table A shall apply to all Shares (save for the LAT Shares).

7. CALLS

The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of Regulation 18 in Table A of the words "*and all expenses that may have been incurred by the company by reason of such non-payment*".

8. ISSUE OF SHARES

Subject to the provisions of the Companies Acts, all unissued shares of the Company from time to time shall be at the disposal of the directors and they may allot, grant rights, options or warrants to subscribe or otherwise dispose of them to such persons, at such times, and on such terms as they think proper.

9. TRANSFER OF SHARES

- 9.1 No person shall dispose of any interest in, or right attaching to, or renounce or assign any right to receive or subscribe for any Share (save as may be required in pursuance of his obligations under these Articles) or create or permit to exist any charge, lien, encumbrance or trust over any Share or agree to do any of such things except as permitted by Articles 10, 12 or 13 (or, in the case of the LAT Shares, Articles 29.6, 29.7 or 29.8).
- 9.2 If a person at any time attempts to deal with or dispose of a Share or any interest therein or right attaching thereto otherwise than as permitted by these Articles he (or the person holding such Shares as his nominee) shall be deemed immediately prior to such attempt to have given a transfer notice in respect of such Share. This Article 9.2 shall not apply in respect of the LAT Shares.
- 9.3 A transfer notice which is given or is deemed to have been given pursuant to Article 9.2, 10.3, 10.4, 10.5, or 13 shall be deemed not to contain a Total Transfer Condition (as defined in Article 13) and shall not be revocable.
- 9.4 Save as provided to the contrary in these Articles and subject to Regulation 24 of Table A, the directors may only refuse to register a transfer of Shares if it is made in contravention of the provisions of these Articles, including but not limited to, a contravention of Article 9.1. For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.
- 9.5 Where a transfer notice (as hereinafter defined) in respect of any Share is deemed to have been given under any provision of these Articles and the circumstances are such

that the directors (as a whole) are unaware of the facts giving rise to the same such transfer notice shall be deemed to have been received by the directors on the date on which the directors (as a whole) actually become aware of such facts and the provisions of Article 14 shall apply accordingly.

10. PERMITTED TRANSFERS

10.1 Subject to Article 10.6, any Shares (other than any Shares in respect of which the holder shall have been required by the directors under these Articles to give a transfer notice or shall have been deemed to have given a transfer notice) may at any time be transferred:

- (A) by any individual member (not being in relation to the Shares concerned a holder thereof as a trustee of any Family Trust) to a Privileged Relation of such member; or
- (B) by any such individual member to trustees to be held upon a Family Trust related to such individual member; or
- (C) by any member being a company (not being in relation to the Shares concerned a holder thereof as a trustee of any Family Trust) to a Member of the same Group as the Transferor, or
- (D) by any member pursuant to a Come Along Notice validly given in accordance with Article 16; or
- (E) by any member holding Shares as nominee to the person who is the beneficial owner of such Shares or to a different or additional nominee on behalf of the beneficial owner provided that beneficial ownership of the Shares remains the same; or
- (F) by any member being a Fund to a Member of the same Fund Group as the Transferor; or
- (G) by any member being a Fund to any participant or partner in or member of that Fund or the holders of any unit trust which is a participant or partner in or member of that Fund (but in each case, only in connection with the dissolution of that Fund or any distribution of assets of that Fund pursuant to the operation of that Fund in the ordinary course of business); or
- (H) by any member of the IP Group to any employee of any member of the IP Group or to any nominee of or trustee for any such employee; or
- (I) by any employee of any member of the IP Group or by any nominee of or trustee for any such employee to any member of the IP Group.

10.2 Where Shares have been issued to the trustees of a Family Trust or transferred under Article 10.1 or under Article 10.2(A) or Article 10.2(B) to the trustees of a Family Trust, the trustees and their successors in office may (subject to the provisions of Article 10.1) transfer all or any of the Relevant Shares:

- (A) to the trustees for the time being of the Family Trust concerned on any change of trustees;
 - (B) to the trustees for the time being of any other trust being a Family Trust in relation to the same individual member or deceased or former member pursuant to the terms of such Family Trusts or to any discretion vested in the trustees thereof or any other person, or
 - (C) to any beneficiary of the Family Trust concerned.
- 10.3 If and whenever any of the Relevant Shares come to be held otherwise than upon a Family Trust, except in circumstances where a transfer thereof is authorised pursuant to Article 10.2 to be and is to be made to the person or persons entitled thereto, it shall be the duty of the trustees holding such Shares to notify the directors in writing that such event has occurred and the trustees shall be bound, if and when required in writing by the directors so to do, to give a transfer notice in respect of the Shares concerned.
- 10.4 If a person to whom Shares have been transferred pursuant to Article 10.2(A) shall cease to be a Privileged Relation, such person shall be bound, if and when required in writing by the directors so to do, to give a transfer notice in respect of the Shares concerned.
- 10.5 If a Transferee ceases to be a Member of the same Group or a Member of the same Fund Group as the Transferor (as the case may be) from which (whether directly or by a series of transfers under Article 10.1(C) or Article 10.1(F) (as the case may be)) the Relevant Shares derived, it shall be the duty of the Transferee to notify the directors in writing that such event has occurred and (unless the Relevant Shares are transferred to the Transferor or a Member of the same Group or a Member of the same Fund Group as the Transferor (as the case may be) within 14 days of such event, any such transfer being deemed to be authorised under the foregoing provisions of this Article) the Transferee shall be bound, if and when required in writing by the directors so to do, to give a transfer notice in respect of the Relevant Shares.
- 10.6 This Article 10 shall not apply in respect of the LAT Shares.

11. RESERVED MATTERS

- 11.1 Without prejudice to any other provision in these Articles or the provisions of the Companies Act 2006, the Company shall not, without Shareholder approval by way of special resolution of the Company, do (and shall procure that no member of the Group does) any of the things listed in Article 11.2.
- 11.2 The matters referred to in Article 11.1 are:

(A) *Substantial disposals*

the sale, leasing, transfer, licensing or other disposal (a “**Disposal**”) of all or substantially all of the Group’s assets, whether by a single transaction or a series of transactions, or the agreement to do the same, other than pursuant to applicable law or to meet the requirements of any governmental or regulatory

authority, or where such Disposal is to or in favour of another member of the Group; and

(B) *Related Party Transactions*

the entry by any member of the Group into any transaction, arrangement or agreement with a Connected Person, otherwise than on arms' length terms.

12. NON-PRE-EMPTIVE TRANSFERS

12.1 The application of the provisions set out in this Article 12 shall be at the discretion of the directors who may apply them (or determine not to apply them) with such technical or administrative variations, modifications, limits and alterations as they deem appropriate having regard to the intended operation of this Article 12.1.

12.2 Subject to Article 12.14, any member holding Shares (other than any Shares in respect of which the holder shall have been required by the directors under these Articles to give a transfer notice or shall have been deemed to have given a transfer notice) totalling 2.5% or less of the issued share capital of the Company may apply for some or all of such Shares to be transferred on a non-pre-emptive basis in accordance with this Article 12 and the provisions set out in Article 13 shall not apply to any Shares transferred pursuant to this Article 12 .

12.3 For the purposes of this Article 12, as at the date of the adoption of these Articles, the "**Notification Dates**" shall be 1 March and 1 September in each year. The directors may amend or cancel Notification Dates in their sole discretion and shall notify the members of such amendment or cancellation as soon as reasonably practicable following the decision to amend or cancel.

12.4 Any member proposing to transfer or acquire a Share ("**a non-pre-emptive participant**") pursuant to this Article 12 shall give notice in writing ("**a non-pre-emptive transfer notice**") to the directors that the non-pre-emptive participant desires to transfer or acquire a Share at the Non-Pre-Emptive Transfer Price (as hereinafter defined), provided that a non-pre-emptive transfer notice must be received or deemed to have been received prior to a Notification Date and must contain the information set out in Article 12.5 in order to have been validly given in respect of such Notification Date. A non-pre-emptive transfer notice may not be revoked.

12.5 A non-pre-emptive transfer notice must either specify:

(A) the number of Shares held by the non-pre-emptive participant which the non-pre-emptive participant would be willing to sell, in which case the non-pre-emptive transfer notice will be a "**Selling Notice**"; or

(B) the number of Shares held by the non-pre-emptive participant which the non-pre-emptive participant would be willing to buy, in which case the non-pre-emptive transfer notice will be a "**Buying Notice**".

12.6 A non-pre-emptive transfer notice which has not been validly given shall be deemed not to have been given. A Buying Notice which, if fulfilled would lead to a Majority Change of

Control or a Special Change of Control, shall be deemed not to have been given. All Shares comprised in a non-pre-emptive transfer notice are in these Articles referred to as "**Non-Pre-Emptive Transfer Shares**". A Connected Member is only entitled to give a Buying Notice and any Selling Notice given by a Connected Member shall be deemed not to have been given. If a member submits more than one non-pre-emptive transfer notice, then the non-pre-emptive transfer notice most recently received shall be deemed to replace and supersede all previously submitted non-pre-emptive transfer notices including but not limited to in relation to Article 12.8(B).

- 12.7 The price for any Shares transferred pursuant to this Article 12 will be the last price prior to the Notification Date for which Shares were issued by the Company in accordance with Article 8 or, if a Transfer Price has been determined pursuant to Article 13.7 since Shares were issued by the Company in accordance with Article 8, such Transfer Price, unless the directors determine that the last price prior to the Notification Date for which Shares were issued by the Company in accordance with Article 8 is the more appropriate price, in which case the last price prior to the Notification Date for which Shares were issued by the Company in accordance with Article 8 shall be the price for any Shares transferred pursuant to this Article 12.
- 12.8 Within three business days of the Notification Date having occurred, the directors shall match Buying Notices with Selling Notices in accordance with the following procedure:
- (A) Where the number of Non-Pre-Emptive Transfer Shares to which Selling Notices relate equals the number of Non-Pre-Emptive Transfer Shares to which Buying Notices relate, all Buying Notices and Selling Notices shall be matched in full;
 - (B) Where the number of Non-Pre-Emptive Transfer Shares to which Selling Notices relate is greater than the number of Non-Pre-Emptive Transfer Shares to which Buying Notices relate, the Selling Notices shall be matched to Buying Notices in the order in which the Selling Notices were received by the Company until all Non-Pre-Emptive Transfer Shares to which Buying Notices relate have been matched in full;
 - (C) Where the number of Non-Pre-Emptive Transfer Shares to which Buying Notices relate is greater than the number of Non-Pre-Emptive Transfer Shares to which Selling Notices relate, the Non-Pre-Emptive Transfer Shares to which Selling Notices relate shall be allocated to each member who has submitted a Buying Notice pro rata in accordance with the proportion which the number of Non-Pre-Emptive Transfer Shares specified in such member's Buying Notice relates to the total number of Non-Pre-Emptive Transfer Shares specified in all Buying Notices.
- 12.9 Each Share matched in accordance with the provision set out in Article 12.8 shall be deemed to have been offered for sale by the member who submitted the relevant Selling Notice (the "**Non-Pre-Emptive Seller**") and such offer shall be deemed to have been accepted by the member who submitted the relevant Buying Notice (the "**Non-Pre-Emptive Buyer**").
- 12.10 The non-pre-emptive transfer notice shall constitute the Company (by its board of directors) as the agent of the Non-Pre-Emptive Seller to sell the Non-Pre-Emptive Transfer Shares (together with all rights attaching thereto at the date of the non-pre-

emptive transfer notice or at any time thereafter) at the Non-Pre-Emptive Transfer Price on the terms of this Article 12.

- 12.11 The directors shall, following the application of Article 12.8, give notice in writing as hereinafter mentioned to the Non-Pre-Emptive Seller and to the Non-Pre-Emptive Buyer, following which the Non-Pre-Emptive Seller shall thereupon become bound upon payment of the Non-Pre-Emptive Transfer Price to the Non-Pre-Emptive Seller (whose receipt shall be a good discharge to the Non-Pre-Emptive Seller, the Company and the directors therefor none of whom shall be bound to see to the application thereof) to transfer to the Non-Pre-Emptive Buyer those Non-Pre-Emptive Transfer Shares accepted by such Non-Pre-Emptive Buyer pursuant to Article 12.9. Every such notice shall state the name and address of each Non-Pre-Emptive Buyer, the number of Non-Pre-Emptive Transfer Shares agreed to be purchased by him and the place and time appointed by the directors for the completion of the purchase (being not less than seven days nor more than twenty-eight days after the date of the said notice and not being at a place outside England). Subject to the giving of such notice the purchase shall be completed at the time and place appointed by the directors.
- 12.12 If a Non-Pre-Emptive Seller, having become bound to transfer any Non-Pre-Emptive Transfer Shares pursuant to this Article 12, makes default in transferring the same, the directors may authorise some person (who is, as security for the performance of the proposing transferor's obligations, hereby irrevocably and unconditionally appointed as the attorney of the proposing transferor for the purpose) to execute the necessary instrument of transfer of such Non-Pre-Emptive Transfer Shares and may deliver it on his behalf and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the relevant Non-Pre-Emptive Buyer to be registered as the holder of such Non-Pre-Emptive Transfer Shares and shall hold such purchase money on behalf of the Non-Pre-Emptive Seller. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the proposing transferor until he shall have delivered his share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Company for such purchase money shall be a good discharge to the Non-Pre-Emptive Buyer who shall not be bound to see to the application thereof, and after the name of the Non-Pre-Emptive Buyer has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.
- 12.13 The directors may require (acting reasonably) to be satisfied that any Non-Pre-Emptive Transfer Shares being transferred by the proposing transferor pursuant to this Article 12 are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer and if not so satisfied may refuse to register the instrument of transfer.
- 12.14 This Article 12 shall not apply in respect of the LAT Shares.

13. PRE-EMPTION RIGHTS

- 13.1 Except in the case of a Permitted Transfer or a Non-Pre-Emptive Transfer no Share shall be transferred until the following conditions of this Article 13 are complied with.
- 13.2 Any member proposing to transfer a Share ("**the proposing transferor**") shall give notice in writing ("**transfer notice**") to the directors that the proposing transferor desires to

transfer such Share at the Transfer Price (as hereinafter defined). All such Shares comprised in such transfer notice are in these Articles referred to as "**Transfer Shares**". A Connected Member is not entitled to give a transfer notice and any purported transfer notice given by a Connected Member shall be deemed not to have been given.

- 13.3 A transfer notice shall state whether the proposing transferor wishes to impose a "**Total Transfer Condition**" (meaning a condition that unless all of the Transfer Shares are sold pursuant to the following provisions of this Article 13 none shall be so sold), but in the absence of such a statement the transfer notice shall be deemed not to contain a Total Transfer Condition.
- 13.4 The transfer notice shall constitute the Company (by its board of directors) as the agent of the proposing transferor empowered to sell the Transfer Shares (together with all rights attaching thereto at the date of the transfer notice or at any time thereafter) at the Transfer Price (as hereinafter defined) on the terms of this Article. Once it has become effective a transfer notice may not be revoked save with the prior written consent of all the other members or as provided in Article 13.8(B).
- 13.5 A transfer notice shall become effective on the date on which it is received by the directors or, in the case of a deemed transfer notice, on the date on which it is deemed to have been given.
- 13.6 Within seven days after the later of the date on which the transfer notice in respect of Shares is received and the date on which it becomes effective the directors shall serve a copy of that transfer notice on all the members other than the proposing transferor. In the case of a deemed transfer notice in respect of Shares, the directors shall similarly serve notice on all the members including the proposing transferor, notifying them that the same has been deemed to have been given, within one month after (i) the date of the event giving rise to the deemed transfer notice or (ii) (if later) the date on which the directors (as a whole) actually became aware of such event.
- 13.7 Subject as provided otherwise in these Articles the Transfer Shares shall be offered for purchase (as hereinafter provided) at a price per Transfer Share ("**the Transfer Price**") determined in accordance with Article 13.8.
- 13.8
- (A) The Transfer Price for a Share shall be such price as shall be agreed in writing between the proposing transferor and the directors. In the absence of such agreement (whether by reason of disagreement, absence, death or otherwise), within twenty one days after the date of which the transfer notice becomes effective, the Transfer Price will be determined by the auditors of the Company (acting as experts and not as arbitrators) who shall certify in writing their opinion of the fair value thereof on a going concern basis as between a willing seller and a willing buyer ignoring any effect upon value attributable to the fact that the Transfer Shares represent a minority or majority interest but taking into account *the restrictions on transfer herein contained*.
- (B) If the auditors are asked to certify the fair value as aforesaid their certificate shall be delivered to the Company and as soon as the Company receives the certificate

it shall furnish a certified copy thereof to the proposing transferor. Following the service upon him of the certified copy of the certificate the proposing transferor shall, subject to Article 9.3, have ten days in which to revoke the transfer notice and cancel the authority of the Company to sell the Transfer Shares. The cost of obtaining the certificate shall be borne by the Company unless the proposing transferor shall give notice of cancellation as aforesaid in which case he shall bear the said cost.

- (C) The Transfer Price for a Share shall be a sum equal to the fair value of the Transfer Shares determined as aforesaid divided by the number of Transfer Shares. The Company will use its reasonable endeavours to procure that the auditors determine the Transfer Price within twenty one days of being requested so to do.

13.9 If the determination of the Transfer Price is referred to the auditors the date of determination of the Transfer Price ("**the Determination Date**") shall be the date on which the directors receive the auditors' determination of the Transfer Price in writing. If the Transfer Price is determined by agreement between the proposing transferor and the directors as aforesaid then the Determination Date shall be the date on which such agreement is made.

13.10 Within seven days after the Determination Date the Transfer Shares shall be offered for purchase at the Transfer Price by the directors to all members (other than to the proposing transferor) in proportion to the number of Shares then held by them respectively. Every such offer shall be made in writing and shall specify (a) the total number of Transfer Shares; (b) the number of Transfer Shares offered to the member ("**Pro Rata Entitlement**"); (c) whether or not the transfer notice contained a Total Transfer Condition and (d) a period (being not less than fourteen days and not more than twenty one days) within which the offer must be accepted or shall lapse, and shall be accompanied by a form of application for use by the member in applying for his Pro Rata Entitlement and for any Transfer Shares in excess of such entitlement which he wishes to purchase. Upon the expiry of the said offer period, the directors shall allocate the Transfer Shares in the following manner:

- (A) to each member who has agreed to purchase Transfer Shares, his Pro Rata Entitlement or such lesser number of Transfer Shares for which he may have applied;
- (B) if any member has applied for less than his Pro Rata Entitlement, the excess shall be allocated to the members who have applied for any part of such excess in proportion to the number of Shares then held by them respectively (but without allocating to any member a greater number of Transfer Shares than the maximum number applied for by him) and any remaining excess shall be apportioned by applying this Article 13.10(B) without taking account of any member whose application has already been satisfied in full.

13.11 If any of the Transfer Shares shall not be capable of being offered or allocated as aforesaid without involving fractions, the same shall be offered to or allocated amongst the members, or some of them, in such proportions as may be determined by lots drawn

in respect thereof, and the lots shall be drawn in such manner as the directors shall think fit.

- 13.12 If by the foregoing procedure the directors shall not receive acceptances in respect of all the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the proposing transferor. The directors shall then be entitled *within fourteen days of the date of service of that notice to serve upon the proposing transferor a Compulsory Transfer Notice and/or a Compulsory Purchase Notice.*
- 13.13 If the directors shall serve a Compulsory Purchase Notice upon the proposing transferor pursuant to Article 13.12 or Article 13.17 they shall:-
- (A) draw up a draft contract of purchase which provides for completion at the Company's registered office of the purchase of the relevant Transfer Shares on the expiration of seven days after the passing of the special resolution hereinafter mentioned;
 - (B) convene a meeting to consider a special resolution to authorise such contract of purchase, such meeting to be held not later than 30 days after the date on which the Compulsory Purchase Notice was served; and
 - (C) procure that the relevant requirements of Sections 690 to 737 of the Companies Act 2006 relating to the purchase by the Company of its own shares are complied with.
- 13.14 The proposing transferor is deemed, by virtue of his having become a member of the Company, to have agreed -
- (A) to any contract which is drawn up by the directors following the service upon him of a Compulsory Purchase Notice;
 - (B) to have appointed any person nominated by the directors to execute such contract on his behalf; and
 - (C) that, subject to the provisions of Article 13.15, he shall transfer the relevant Transfer Shares to the Company at completion. If he makes default in so doing a director or some other person duly nominated by a resolution of the directors for that purpose, shall forthwith be deemed to be the duly appointed attorney of the proposing transferor with full power to execute complete and deliver in the name and on behalf of the proposing transferor a transfer of the relevant Transfer Shares to the Company. The directors shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money in trust for the proposing transferor until he shall deliver up his certificates for the relevant Transfer Shares to the Company when he shall thereupon be paid the purchase money.
- 13.15 If by the foregoing procedure the directors shall not have received acceptances in respect of all the Transfer Shares and shall not have served a Compulsory Transfer Notice or a Compulsory Purchase Notice in respect of all of the Transfer Shares not accepted by the members or if the requirements of Sections 690 to 737 of the Companies Act 2006 have

not been complied with in relation to the purchase by the Company of the relevant Transfer Shares pursuant to a Compulsory Purchase Notice and the transfer notice in question did contain a Total Transfer Condition then none of the Transfer Shares shall be sold to the members or to any person nominated by the directors pursuant to a Compulsory Transfer Notice or to the Company pursuant to a Compulsory Purchase Notice. The proposing transferor may then within a period of four months after the expiry of the fourteen day period referred to in Article 13.12 sell all (but not some only) of the Transfer Shares to any person or persons at any price which is not less than the Transfer Price.

- 13.16 If the directors shall receive acceptances pursuant to the provisions of this Article in respect of all the Transfer Shares (or all of the Transfer Shares other than those which the Company is obliged to purchase following the service of a Compulsory Purchase Notice) either from the members or from any person or persons nominated by the directors pursuant to a Compulsory Transfer Notice they shall forthwith give notice in writing as hereinafter mentioned to the proposing transferor and to the person or persons who have agreed to purchase the same ("**Purchaser**" or "**Purchasers**") and the proposing transferor shall thereupon become bound upon payment of the Transfer Price to the proposing transferor (whose receipt shall be a good discharge to the Purchaser, the Company and the directors therefor none of whom shall be bound to see to the application thereof) to transfer to each Purchaser those Transfer Shares accepted by him. Every such notice shall state the name and address of each Purchaser, the number of Transfer Shares agreed to be purchased by him and the place and time appointed by the directors for the completion of the purchase (being not less than seven days nor more than twenty-eight days after the date of the said notice and not being at a place outside England). Subject to the giving of such notice the purchase shall be completed at the time and place appointed by the directors.
- 13.17 If the transfer notice in question did not contain a Total Transfer Condition and if by the foregoing procedure the directors shall receive acceptances in respect of none or part only of the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of the fact to the proposing transferor. The directors shall then be entitled within 14 days of the date of service of that notice to serve upon the proposing transferor a Compulsory Transfer Notice and/or a Compulsory Purchase Notice and the provisions of Article 13.16 shall apply (*mutatis mutandis*) in respect of any Compulsory Transfer Notice so served.
- 13.18 The proposing transferor may, within the period of four months after the expiry of the fourteen day period referred to in Article 13.17 sell any of the Transfer Shares which have not been accepted by members pursuant to Article 13.10 and which are not the subject of a Compulsory Purchase Notice or Compulsory Transfer Notice served within such fourteen day period, to any person or persons at any price which is not less than the Transfer Price.
- 13.19 If a proposing transferor, having become bound to transfer any Transfer Shares pursuant to this Article, makes default in transferring the same the directors may authorise some person (*who is, as security for the performance of the proposing transferor's obligations, hereby irrevocably and unconditionally appointed as the attorney of the proposing transferor for the purpose*) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on his behalf and the Company may receive the

purchase money and shall thereupon (subject to such instrument being duly stamped) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money on behalf of the proposing transferor. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the proposing transferor until he shall have delivered his share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

13.20 The directors may require (acting reasonably) to be satisfied that any Shares being transferred by the proposing transferor pursuant to either Article 13.15 or Article 13.18 are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer and if not so satisfied may refuse to register the instrument of transfer.

13.21 The provision of this Article 13 shall not apply to a transfer of Shares which is authorised by a special resolution of the Company to be carried out without satisfying the requirements of Article 13 or satisfying those requirements as modified by the relevant special resolution or where Article 13 has been suspended or disapplied.

14. COMPULSORY TRANSFERS

14.1 Subject to Article 14.4, if a member is adjudicated bankrupt, he shall be deemed *immediately to have given a transfer notice in respect of all the Shares then registered in his name.*

14.2 Subject to Article 14.4, if a Share remains registered in the name of a deceased member for longer than one year after the date of his death the directors may require the legal personal representatives of such deceased member either to effect a transfer of such Shares (including for such purpose an election to be registered in respect thereof) being a Permitted Transfer or to show to the satisfaction of the directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased member or (failing compliance with either of the foregoing within one month or such longer period as the directors may allow for the purpose) to give a transfer notice in respect of such Share.

14.3 If a member which is a company or a Transferee in relation to such member, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, such member or Transferee shall be deemed immediately to have given a transfer notice in respect of all of the Shares held by such member and/or such Transferee.

14.4 This Article 14 shall not apply in respect of the LAT Shares.

15. MAJORITY CHANGE OF CONTROL

15.1 Subject to Article 15.4, no sale or transfer or other disposition of any interest in any Share shall have any effect, if it would result in a Majority Change of Control, unless before the transfer is lodged for registration the Acquirer has made a bona fide offer in accordance

with this Article 15 to purchase all the Shares held by the Shareholders (including, for the avoidance of doubt, all Connected Members but other than any Shareholder which has expressly waived its right to receive such an offer for the purpose of this Article 15). The price per Share in these circumstances shall be an amount equal to the Transfer Price in relation to the Share mentioned above.

- 15.2 An offer made under Article 15.1 shall be in writing open for acceptance for at least 21 days after full implementation of the pre-emption rights and procedures set out in Article 13, shall be recirculated with a reminder in writing to all the Shareholders at least 7 days before the date for acceptance set out in the offer and shall be deemed to be rejected by any Shareholder who has not accepted it in accordance with its terms within the period set out in the offer.
- 15.3 The Acquirer shall complete the purchase of all Shares in respect of which the offer is accepted at the same time as he completes the purchase of the Shares whose proposed purchase gave rise to such offer. The acceptance by any Shareholder of such offer shall not require the accepting Shareholder to give a transfer notice in accordance with Article 13.2.
- 15.4 This Article 15 shall not apply in respect of the LAT Shares.

16. COME ALONG OPTION

- 16.1 Subject to Article 16.7, if any one or more Shareholders (together the "**Selling Shareholders**") wish to transfer any Shares which would result in a Special Change of Control, the Selling Shareholders or, after the transfer by them of their Shares to the Acquirer resulting in the Special Change of Control, the Acquirer shall have the option (the "**Come Along Option**") to require all the other Shareholders to transfer all their Shares to the Acquirer or as the Acquirer shall direct in accordance with this Article 16.
- 16.2 The Selling Shareholders may exercise the Come Along Option by giving notice to that effect (a "**Come Along Notice**") to all such other Shareholders (the "**Called Shareholders**") at any time after the Selling Shareholders have agreed to transfer the Shares held by them giving rise to the Special Change of Control. The Acquirer may exercise the Come Along Option by giving a Come Along Notice to the Called Shareholders at any time within one month of the transfer of Shares held by the Selling Shareholders to the Acquirer resulting in the Special Change of Control. A Come Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") pursuant to Article 16.1, at the price per Called Share (the "**Called Price**") determined in accordance with Article 16.4 and the proposed date of transfer.
- 16.3 A Come Along Notice is irrevocable but the Come Along Notice and all obligations thereunder will lapse if the Come Along Notice is given before the transfer of Shares resulting in the Special Change of Control and for any reason there is not a Special Change of Control caused by a transfer of Shares by the Selling Shareholders to the Acquirer within 6 months of the date of the Come Along Notice.
- 16.4 The Called Price shall be an amount equal to the price per Share at which the relevant transfer of Shares referred to in Article 16.1 takes place or took place.

16.5 Completion of the sale of the Called Shares shall take place on the date specified for that purpose by the Selling Shareholders or the Acquirer except that:

- (A) such person may not specify a date that is less than 14 days after the date of the Come Along Notice;
- (B) if the Come Along Notice is given by the Selling Shareholders, the date so specified by the Selling Shareholders shall be the same date as the date proposed for completion of the sale of the Shares giving rise to the Special Change of Control;
- (C) if the Come Along Notice is given by the Acquirer, the date so specified by the Acquirer shall be a date set within two months of the transfer of the Shares held by the Selling Shareholders to the Acquirer resulting in the Special Change of Control,

unless all of the Called Shareholders, the Selling Shareholders and the Acquirer agree otherwise.

16.6 If any of the Called Shareholders shall make default in selling its Shares in accordance with this Article 16, any director of the Acquirer or other person duly nominated by resolution of the directors for that purpose shall forthwith be deemed to be the duly appointed attorney of such Called Shareholder with such power to execute, complete and deliver in the name and on behalf of such Called Shareholder a transfer of the relevant Called Shares and any such director may receive and give a good discharge of the purchase money on behalf of such Called Shareholder and (subject to the transfer being duly stamped) the Company may enter the name of the third party in the register of members as the holder or holders by transfer of the Called Shares so purchased by him or them. The directors shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for such Called Shareholder until he shall deliver up a certificate or certificates for the relevant Shares to the Company and he shall thereupon be paid by the purchase money.

16.7 This Article 16 shall not apply in respect of the LAT Shares.

17. VOTING

17.1 Regulation 46 of Table A shall be amended so that the first sentence is deleted in its entirety and replaced with the following: "*A resolution put to the vote of a general meeting held partly by means of an electronic facility will be decided on a poll, which poll votes may be cast by such electronic or other means as the directors decide are appropriate. Any such poll will be treated as having been validly demanded at the time fixed for the holding of the meeting. Following a Change of Control, if there is an Active LAT Share, a resolution put to the vote of a general meeting will be conducted on a poll. Subject to the foregoing, a resolution put to vote at any general meeting will be decided on a show of hands unless a poll is demanded when, or before, the chair of the meeting declares the result of the show of hands.*"

17.2 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles:

- (A) on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote; and
- (B) on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every Share of which he is the holder, save that if a Change of Control has occurred and there is an Active LAT Share, the holder of the Active LAT Share shall have such number of votes as are set out in Article 29.5.

17.3 Save for the holder of the Active LAT Share (if any) (following a Change of Control and in accordance with Article 29.5), no Shareholder may exercise more than 9.9 per cent. of the voting rights attributable to the shares of the Company at any time, save that this restriction shall apply only in respect of a Shareholder who acquires more than 9.9 per cent. of the total voting share capital of the Company on or after 1 July 2020 (with any voting rights held by such Shareholder prior to such date to be counted towards the 9.9 per cent threshold), whether through one acquisition or a series of acquisitions. For the purposes of this Article 17.3:

(A) the voting rights of a Shareholder shall be aggregated with the voting rights of its Associates and persons acting in concert with it and, where such aggregated holding exceeds 9.9 per cent of the total voting share capital of the Company, the voting rights that may be exercised pursuant to this Article 17.3 shall be allocated between the Shareholder and its Associates and concert parties on a basis *pro rata* to the number of voting rights held by each of them (save that, where any such party alone holds voting rights exceeding 9.9 per cent, its voting rights shall be deemed to be 9.9 per cent for the purposes of such allocation); and

(B) “**Associate**” means:

- (i) in relation to a Shareholder who is an individual, any of his Privileged Relations or Family Trusts;
- (ii) in relation to a Shareholder who is a Fund, any Member of the Same Fund Group as such Shareholder; and
- (iii) in relation to any other Shareholder, any Affiliate of such Shareholder.

17.4 Any voting rights that a Shareholder is unable to exercise due to the restrictions in Article 17.3 above shall be exercisable by the chairman of the Company from time to time, acting on the instructions of the board of directors of the Company (which may issue such instructions as it sees fit, acting in its sole discretion).

18. APPOINTMENT OF PROXIES

18.1 The appointment of a proxy shall be in writing signed by the appointor or the appointor’s duly authorised attorney or, if the appointor is a corporation, shall either be executed under its seal or signed by an officer, attorney or other person authorised to sign it. If a Shareholder appoints more than one proxy and the proxy forms appointing those proxies

would give those proxies the apparent right to exercise votes on behalf of the Shareholder in a general meeting over more Shares than are held by the Shareholder, then each of those proxy forms will be invalid and none of the proxies so appointed will be entitled to attend, speak or vote at the relevant general meeting.

18.2 Regulation 62 of Table A shall be amended to include:

- (A) the following wording at the end of each of sub-paragraphs (a) and (aa), "*or by such shorter period before such meeting or adjourned meeting as the board or the secretary may permit*";
- (B) the following wording at the end of sub-paragraph (b), "*or by such shorter period before the time appointed for taking such poll as the board or the secretary may permit*";
- (C) the following wording at the end of sub-paragraph (c), "*or at such later time as the board may determine*" and
- (D) the following additional sentences at the end of the existing language: "*When two or more valid but differing appointments of a proxy are received in respect of the same Share for use at the same meeting or poll, the one which is last received (regardless of its date or of the date of its signature) shall be treated as replacing and revoking the others as regards that Share; if the company is unable to determine which was last received, none of them shall be treated as valid in respect of that Share. The appointment of a proxy shall not preclude a Shareholder from attending and voting in person at the meeting or poll concerned. The proceedings at a general meeting shall not be invalidated where an appointment of a proxy in respect of that meeting is sent in electronic form as provided in these articles, but because of a technical problem it cannot be read by the recipient.*"

19. APPOINTMENT OF DIRECTORS

The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director provided always that the number of directors shall not, unless otherwise determined by a majority vote of the directors, exceed 11.

20. PROCEEDINGS OF DIRECTORS

20.1 Notice of every meeting of the directors shall be given to each director at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him.

20.2 The directors, or a committee of the directors, may hold meetings by telephone either by conference telephone connection(s) or by a series of telephone conversations. The views of the directors, or a committee of the directors, as ascertained by such telephone conversations and communicated to the chairman shall be treated as votes in favour of or against a particular resolution (as appropriate). A resolution passed at any meeting

held in this manner and signed by the chairman shall be as valid and effectual as if it had been passed at a meeting of the directors (or, as the case may be of that committee) duly convened and held. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is then present.

- 20.3 Pursuant to Section 175 of the Companies Act 2006, the directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under that Section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
- 20.4 Authorisation of a matter under Article 20.3 shall be effective only if:
- (A) the matter in question shall have been proposed in writing for consideration at a meeting of the directors, in accordance with the normal procedures of the board of directors or in such other manner as the directors may approve;
 - (B) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director (together the “**Interested Directors**”);
 - (C) the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted; and
 - (D) in taking the decision, the directors act in a way they consider, in good faith, will be most likely to promote the Company's success.
- 20.5 Any authorisation of a matter pursuant to Article 20.3 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- 20.6 Any authorisation of a matter under Article 20.3 shall be subject to such conditions or limitations as the directors may determine, whether at the time such authorisation is given or subsequently, and may be varied or terminated by the directors at any time. Such conditions or limitations may include without limitation:
- (A) the application to the Interested Director of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the matter;
 - (B) the exclusion of the Interested Director from all information relating to, and discussion by the Company of, the matter; and
 - (C) that, where the Interested Director obtains (other than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.

20.7 A director shall comply with any obligations imposed on him by the directors pursuant to any such authorisation under Article 20.3.

20.8 Provided that he has disclosed to the directors the nature and extent of any material interest of his and such disclosure has been authorised by the directors pursuant to Article 20, a director notwithstanding his office:-

- (A) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
- (B) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
- (C) may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
- (D) shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

20.9 For the purposes of this Article 20: -

- (A) a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
- (B) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- (C) an interest of a person who is for any purpose of the Companies Acts (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

21. INDEMNITY

21.1 Subject to the provisions of and so far as may be consistent with the Companies Acts, but without prejudice to any indemnity to which a director may be otherwise entitled, every director, auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise properly in relation to or in connection with his duties, including

(but without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

- 21.2 Subject to the Companies Acts, the Company may purchase and maintain for any director, auditor, secretary or other officer of the Company insurance cover against any liability which by virtue of any rule of law may attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company and against all costs, charges, losses and expenses and liabilities incurred by him and for which he is entitled to be indemnified by the Company by virtue of Article 21.1.

22. VALUATION

If any doubt shall arise as to how to calculate or whether any adjustment falls to be made to any calculation or valuation made pursuant to these Articles, the directors on behalf of the Company may in their sole discretion appoint an independent financial adviser or the auditors of the Company to calculate all relevant amounts or to consider whether or not such adjustment is appropriate. A written calculation or determination made in good faith by the directors or by such independent financial adviser or the auditors in respect thereof shall be conclusive and binding on the Company, each member and any other relevant parties, save in the case of manifest error.

23. PARTICIPATION IN GENERAL MEETINGS

- 23.1 The board of directors may make any arrangements it decides fit to allow those entitled to do so to attend and participate in any general meeting.
- 23.2 Two or more persons who may not be in the same place as each other attend and participate in a general meeting if they are able to exercise their rights to speak and vote at that meeting. A person is able to exercise the right to speak at a general meeting if that person can communicate to all those attending the meeting while the meeting is taking place. A person is able to exercise the right to vote at a general meeting if that person can vote on resolutions put to the meeting (or, in relation to a poll, can vote within the required time frame) and that person's vote can be taken into account in deciding whether or not such resolutions are passed at the same time as the votes of others attending the meeting.
- 23.3 Unless the notice of meeting says otherwise or the chair of the meeting decides otherwise, a general meeting will be treated as taking place where the chair of the meeting is at the time of the meeting.
- 23.4 When deciding whether a person is attending or participating in a meeting by means of an electronic facility, it is immaterial where that person is or how that person is able to communicate with others who are attending and participating.

23.5 Where holders of, and persons entitled by transmission to, Shares can participate at a general meeting by means of an electronic facility, any document required to be on display or available for inspection will be made available for the required period in electronic form to those persons entitled to inspect it and this will satisfy any such requirement.

24. ELECTRONIC FACILITIES AND SATELLITE MEETINGS

24.1 The board of directors may decide to let persons entitled to attend and participate in a general meeting do so by simultaneous attendance and participation by means of an electronic facility. Shareholders present in person or by proxy by means of such electronic facility will be counted in the quorum for, and entitled to participate in, the general meeting.

24.2 The board of directors may also decide to let persons entitled to attend and participate in a general meeting to do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world (referred to in these Articles as a satellite meeting). Shareholders present in person or by proxy at satellite meeting places shall be counted in the quorum for, and entitled to participate in, the general meeting. The satellite meeting will be treated as taking place where the chair of the meeting is at the time of the meeting and the powers of the chair will apply to the satellite meeting.

24.3 Any general meeting at which electronic facilities are available and any satellite meeting will be duly constituted and its proceedings valid if the chair is satisfied that adequate facilities are available to enable all Shareholders attending the meeting by whatever means and at all the meeting places to participate in the business for which the meeting has been called.

24.4 All persons seeking to attend and participate in a general meeting by way of electronic facility are responsible for having in place the necessary means to enable them to do so. Subject to the right of the chair to adjourn a general meeting under these Articles, any inability of a person to attend or participate in a general meeting by means of electronic facility, or any interruption to a person being so able, shall not invalidate the proceedings of that meeting.

24.5 Nothing in these Articles authorises or allows a general meeting to be held exclusively on an electronic basis.

25. NOTICE OF GENERAL MEETING

25.1 A general meeting shall be called in accordance with sections 307 to 312 of the Companies Act 2006.

25.2 Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to all the Shareholders, to all persons entitled to a Share in consequence of the death or bankruptcy of a Shareholder and to the directors and auditors.

25.3 Regulation 39 of Table A shall be amended so that references to "*notice of a meeting*" and "*notice*" shall read "*notice of a meeting or any document or other information relating to any meeting*".

26. GENERAL MEETINGS

- 26.1 No business shall be transacted at any general meeting of the Company unless a quorum is present. Subject to Article 26.2, two persons entitled to vote upon the business to be transacted (each being a member or a proxy for a member or a duly authorised representative of a corporation) shall be a quorum.
- 26.2 If a Change of Control has occurred and there is an Active LAT Share, the holder of the Active LAT Share alone (or a proxy for such member) shall be a quorum.
- 26.3 The board or the secretary may direct that persons wishing to attend any general meeting should submit to such searches or other security arrangements or restrictions (including *relating to health and safety*) and/or any other arrangements as the board or the secretary shall consider appropriate in the circumstances and the board or secretary shall be entitled in their absolute discretion to, or to authorise one or more persons to, refuse physical or electronic entry to, or to eject from (physically or electronically), such general meeting any person who fails to submit to such searches or otherwise to comply with any such security or other arrangements or restrictions, other than the holder of the Active LAT Share (if there is an Active LAT Share).
- 26.4 Where a general meeting is held partly by means of an electronic facility, the board or the secretary may make any arrangement and impose any requirement or restriction that is necessary to ensure the identification of those taking part by this means and the security of the electronic facility.
- 26.5 If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting:
- (A) where it has been convened by or upon requisition of Shareholders, shall be dissolved; and
 - (B) in any other case, shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine. At any adjourned meeting one Shareholder present in person or by proxy and entitled to vote (whatever the number of Shares held by that Shareholder) shall be a quorum provided that if there is an Active LAT Share, such member is the holder of the Active LAT Share, and any notice of an adjourned meeting shall state the relevant quorum.
- 26.6 If the board, in its absolute discretion, considers that it is impractical or undesirable for any reason to hold a general meeting on the date or at the time or place (or places in the case of a satellite meeting) specified in the notice calling the general meeting or by means of any electronic facility available for that meeting or if otherwise the board, in its absolute discretion, considers it appropriate to alter any of the other arrangements in relation to a general meeting, it may postpone or move the general meeting or change, cancel or introduce any electronic facility or make other alterations in respect of the general meeting (or do any of these things). Notice of the date, time and place (or places in the case of a satellite meeting) of, or other alterations in respect of, the rearranged meeting shall be given in such manner as the board may, in its absolute discretion, determine. Notice of the business to be transacted at such rearranged meeting shall not be required. If a

meeting is rearranged in this way, the appointment of a proxy will be valid if it is received as required by these articles not less than 48 hours before the time appointed for holding the rearranged meeting. The board may also postpone, move or make other arrangements in respect of the rearranged meeting under this article (or do any of these things).

- 26.7 The chair of the meeting may also, at any time without the consent of the meeting, adjourn any meeting (whether or not it has commenced or a quorum is present) either sine die or to another time or place (or places in the case of a satellite meeting) and with such means of attendance and participation as the chair decides, where it appears to the chair that (a) the members entitled to vote and wishing to attend cannot be conveniently accommodated in the place appointed for the meeting, (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business, (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted, or (d) the facilities or security at the place of the meeting (or places in the case of a satellite meeting) or the electronic facility provided for the meeting have become inadequate or are otherwise not sufficient to allow the meeting to be conducted as intended. In addition, the chair of the meeting may at any time with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting either sine die or to another time or place (or places in the case of a satellite meeting). When a meeting is adjourned sine die the time and place (or places in the case of a satellite meeting) and the means of attendance and participation for the adjourned meeting shall be fixed by the board. No business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting had the adjournment not taken place. *Any meeting may be adjourned more than once.*
- 26.8 If the continuation of an adjourned meeting is to take place three months or more after it was adjourned or if business is to be transacted at an adjourned meeting the general nature of which was not stated in the notice of the original meeting, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as provided in this article, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

27. Amendments to Resolutions

In the case of a resolution duly proposed as a special resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon and in the case of a resolution duly proposed as an ordinary resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon unless either at least two working days prior to the date appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed notice in writing of the terms of the amendment and intention to move the same has been received by the company at the office or the chair of the meeting decides that it may be considered or voted upon (any such decision being at the absolute discretion of the chair). With the consent of the chair of the meeting, an amendment may be withdrawn by its proposer before it is put to the vote.

28. Amendments Ruled Out of Order

If an amendment shall be proposed to any resolution under consideration but shall be ruled out of order by the chair of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

29. LAT SHARES

29.1 For the purposes of this Article 29:

- (A) **"Acting in Concert"** has the meaning given to it in the City Code on Takeovers and Mergers;
- (B) **"Change of Control"** means the acquisition by any person (other than, if there is an Active LAT Share, the holder of the Active LAT Share or any persons Acting in Concert with him) of an interest in Shares which (when taken together with Shares in which that person and any persons Acting In Concert with such person are interested) carry more than 50 per cent. of the voting rights exercisable by members on a poll in a general meeting (excluding, if there is an Active LAT Share, any voting rights attached to the Active LAT Share) and, without prejudice to the generality of the foregoing, if such an acquisition is effected by means of a:
 - (i) scheme of arrangement under Part 26 of the Companies Act 2006, a *Change of Control shall take place at the point at which the scheme of arrangement becomes effective*; and
 - (ii) takeover offer under Part 28 of the Companies Act 2006, a *Change of Control shall take place at the point at which the takeover offer becomes unconditional in all respects*;

For the avoidance of doubt, a person will not be deemed to have "acquired" an interest in Shares carrying voting rights by virtue of:

- (iii) the issue by the Company of new Shares to that person or to a person Acting in Concert with that person;
- (iv) the purchase or redemption by the Company of its own Shares in accordance with the Companies Act 2006, with a commensurate increase in the proportion of voting rights held by that person; or
- (v) by virtue of a change in identity of those persons that are Acting in Concert with that person from time to time,

provided that, in each case, this is not also accompanied with another connected transaction in which an interest in Shares in the Company is acquired;

- (C) A person shall have an **"interest"** in Shares if:
 - (i) he is the registered holder;

- (ii) not being the registered holder, he is entitled to exercise voting rights conferred by the holding of those Shares or to control any exercise of any such voting rights; or
- (iii) where an interest in Shares is comprised in property held on trust, he is a beneficiary of that trust (and, in this case, every beneficiary of the trust shall be treated as having an interest in those Shares),

provided, in each case, that a person shall not be considered to have an interest in Shares if and to the extent that a person is:

- (i) acting as a nominee or custodian for another person, in which case the person on whose behalf that person is so acting will be considered to be so interested;
- (ii) interested by reason of his appointment as a proxy to vote at a specific general meeting or class meeting of the Company, or his authorisation by a corporation to act as its representative at any general meeting or class meeting of the Company;
- (iii) a bank and is interested by reason of the taking of security over Shares or other securities in the normal course of its business;
- (iv) a borrower of Shares under a stock borrowing arrangement, providing that such a borrower does not exercise the voting rights attributable to those Shares; or
- (v) interested by virtue of receiving an irrevocable commitment to accept or reject a specified takeover offer for Shares or to vote in relation to a general meeting or class meeting of the Company or other meeting of shareholders of the Company necessary to implement a specified scheme of arrangement under Part 26 of the Act.

29.2 The LAT Shares shall carry the rights set out in this Article 27 and, to the extent the LAT Shares (or any of them) are referred to, Articles 4, 5, 6, 9.1-9.2, 10, 12, 13.1, 14-17 or 26.

29.3 No LAT Share shall entitle its holder to receive any dividend or other distribution of the Company whether out of profits or on a winding up of the Company or otherwise and Regulations 102 to 108 (inclusive) of Table A shall not apply in respect of the LAT Shares.

29.4 The LAT Shares shall entitle their holder(s) to:

- (A) receive notice of every general meeting of the Company, and of every separate meeting of the holders of the Shares of any class in the Company's issued share capital;
- (B) attend any such general meeting or separate class meeting; and
- (C) speak at any such general meeting or separate class meeting,

but the holder(s) of the LAT Shares shall not, save as provided in Article 29.5, be entitled to vote at any general meeting of the Company or be entitled to vote at any such separate class meeting other than a separate class meeting of the LAT Shares or any class of them (as a separate class).

29.5 If there is an Active LAT Share, then, immediately upon a Change of Control:

- (A) the Active LAT Share shall automatically (and with no further action required from the Company or its board of directors) carry such number of votes on any ordinary, special or other resolution put to the members of the Company at a general meeting, as shall be necessary to ensure the effective passing of such resolution if those votes are cast in favour thereof or (as may be appropriate) to ensure the defeat of such resolution if those votes are cast against such resolution, and the holder of the Active LAT Share shall be entitled to requisition a general meeting of the Company; and
- (B) the directors shall, without undue delay, give written notice to the holder of the Active LAT Share that a Change of Control has occurred.

29.6 The A LAT Share shall cease to carry any of its rights on the earlier of:

- (A) the date which falls three years after the date of the issue of the A LAT Share;
- (B) the purported transfer (in whatever manner) of the A LAT Share by the holder of the A LAT Share to any person (other than, for the avoidance of doubt a purchase or cancellation of the A LAT Share by the Company); and
- (C) immediately upon the occurrence of a GS Disqualifying Event,

following which the Company may purchase or cancel the A LAT Share at any time or otherwise deal with the A LAT Share as permitted by the Companies Act 2006.

29.7 The B LAT Share shall cease to carry any of its rights on the earlier of:

- (A) the date which falls three years after the date of the issue of the B LAT Share;
- (B) the purported transfer (in whatever manner) of the B LAT Share by the holder of the B LAT Share to any person (other than, for the avoidance of doubt a purchase or cancellation of the B LAT Share by the Company); and
- (C) immediately upon the occurrence of a JW Disqualifying Event,

following which the Company may purchase or cancel the B LAT Share at any time or otherwise deal with the B LAT Share as permitted by the Companies Act 2006.

29.8 The C LAT Share shall cease to carry any of its rights on the earlier of:

- (A) the date which falls three years after the date of the issue of the C LAT Share;

(B) the purported transfer (in whatever manner) of the C LAT Share by the holder of the C LAT Share to any person (other than, for the avoidance of doubt a purchase or cancellation of the C LAT Share by the Company); and

(C) immediately upon the occurrence of a CB Disqualifying Event,

following which the Company may purchase or cancel the C LAT Share at any time or otherwise deal with the C LAT Share as permitted by the Companies Act 2006.

29.9 For the avoidance of doubt, if at any time, each of a GS Disqualifying Event, a JW Disqualifying Event and a CB Disqualifying Event has occurred, then there shall not, from the time of the last of those events to occur, be any Active LAT Share, and the rights expressed in these Articles as being exercisable by the holder of the Active LAT Share shall cease and be of no further effect and shall not be exercisable by any holder of any LAT Share.

29.10 *No transfer of any LAT Share shall be permitted and the directors shall decline to register any purported transfer of any LAT Share (other than, for the avoidance of doubt, a purchase or cancellation of any LAT Share by the Company pursuant to Articles 29.6, 29.7 or 29.8).*

Commencement 1st October 2007

COMPANIES (TABLES A TO F) REGULATIONS 1985
AS AMENDED BY SI 2007/2541 and SI 2007/2826

TABLE A

Regulations for management of a (private) company limited by shares

1. In these regulations—

“the Act” means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force;

“the articles” means the articles of the company;

“clear days” in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

“communication” means the same as in the Electronic Communications Act 2000;

“electronic communication” means the same as in the Electronic Communications Act 2000;

“executed” includes any mode of execution;

“office” means the registered office of the company;

“the holder” in relation to shares means the member whose name is entered in the register of members as the holder of the shares;

“the seal” means the common seal of the company;

“secretary” means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary;

“the United Kingdom” means Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the company.

SHARE CAPITAL

2. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the company may by ordinary resolution determine.

3. Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the company or the holder on such terms and in such manner as may be provided by the articles.

4. The company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

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

SHARE CERTIFICATES

6. Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

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

LIEN

8. The company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. *The company's lien on a share shall extend to any amount payable in respect of it.*

9. The company may sell in such manner as the directors determine any shares on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

10. To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

11. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES AND FORFEITURE

12. Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.

13. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.

14. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
15. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part.
16. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call.
17. Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
18. If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
19. If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
20. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.
21. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the company for cancellation the certificate for the shares forfeited but shall remain liable to the company for all moneys which at the date of forfeiture were presently payable by him to the company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
22. A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

TRANSFER OF SHARES

23. The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

24. The directors may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a share on which the company has a lien. They may also refuse to register a transfer unless—

- (a) it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
- (b) it is in respect of only one class of shares; and
- (c) it is in favour of not more than four transferees.

25. If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal.

26. The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.

27. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.

28. The company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

TRANSMISSION OF SHARES

29. If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the company as having any title to his interest; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.

30. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.

31. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the company or at any separate meeting of the holders of any class of shares in the company.

ALTERATION OF SHARE CAPITAL

32. The company may by ordinary resolution—

- (a) *increase its share capital by new shares of such amount as the resolution prescribes;*
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
- (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

33. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

34. Subject to the provisions of the Act, the company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

PURCHASE OF OWN SHARES

35. Subject to the provisions of the Act, the company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares.

GENERAL MEETINGS

37. The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the provisions of the Act. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the company may call a general meeting.

NOTICE OF GENERAL MEETINGS

38. General meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted.

Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

39. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

40. No business shall be transacted at any meeting unless a quorum is present. Save in the case of a company with a single member two persons entitled to vote upon the business to be transacted, each

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

41. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine.

42. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.

43. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

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

45. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

46. A resolution put to the vote of a meeting 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 duly demanded. Subject to the provisions of the Act, a poll may be demanded—

- (a) by the chairman; or
- (b) by at least two members having the right to vote at the meeting; or
- (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

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

47. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

48. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

49. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

51. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

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

VOTES OF MEMBERS

54. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, unless the proxy (in either case) or the representative is himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.

55. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.

56. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

57. No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

58. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

59. On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.

60. The appointment of a proxy shall be executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve)—

“..... PLC/Limited

.....

I/We,, of, being a member/members of the above-named company, hereby appoint of, or failing him, of, as my/our proxy to vote in my/our name[s] and on my/our behalf at the general meeting of the company to be held on 19....., and at any adjournment thereof.

Signed on 19.....”.

61. Where it is desired to afford members an opportunity of instructing the proxy how he shall act the appointment of a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve)—

“..... PLC/Limited

.....

I/We,, of, being a member/members of the above-named company, hereby appoint of, or failing him of, as my/our proxy to vote in my/our name[s] and on my/our behalf at the general meeting of the company, to be held on 19....., and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 *for *against

Resolution No. 2 *for *against.

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this day of 19.....”.

62. The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may—

- (a) in the case of an instrument in writing be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (aa) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications—
 - (ii) in the notice convening the meeting, or
 - (iii) in any instrument of proxy sent out by the company in relation to the meeting, or
 - (iv) in any invitation contained in an electronic communication to appoint a proxy issued by the company in relation to the meeting,be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

- (b) 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
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid.

In this regulation and the next, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

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

NUMBER OF DIRECTORS

64. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall be not less than two.

ALTERNATE DIRECTORS

65. Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.

66. An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.

67. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.

68. Any appointment or removal of an alternate director shall be by notice to the company signed by the director making or revoking the appointment or in any other manner approved by the directors.

69. Save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

POWERS OF DIRECTORS

70. Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

71. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

DELEGATION OF DIRECTORS' POWERS

72. The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

APPOINTMENT AND RETIREMENT OF DIRECTORS

76. No person shall be appointed or reappointed a director at any general meeting unless—

- (a) he is recommended by the directors; or
- (b) not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the company's register of directors together with notice executed by that person of his willingness to be appointed or reappointed.

77. Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment or reappointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the company's register of directors.

78. The company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire.

79. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

81. The office of a director shall be vacated if—

- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) he is, or may be, suffering from mental disorder and either—
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (d) he resigns his office by notice to the company; or
- (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

REMUNERATION OF DIRECTORS

82. The directors shall be entitled to such remuneration as the company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

DIRECTORS' EXPENSES

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

DIRECTORS' APPOINTMENTS AND INTERESTS

84. Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the company and may enter into an agreement or arrangement with any director for his employment by the company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the company. A managing director and a director holding any other executive office shall not be subject to retirement by rotation.

85. Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office—

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company or in which the company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested; and

(c) shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

86. For the purposes of regulation 85—

- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

DIRECTORS' GRATUITIES AND PENSIONS

87. The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or a predecessor in business of the company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

PROCEEDINGS OF DIRECTORS

88. Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

89. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

90. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

91. The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

92. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

93. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

94. Save as otherwise provided by the articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the company unless his interest or duty arises only because the case falls within one or more of the following paragraphs—

- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the company or any of its subsidiaries;
- (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (c) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures, or other securities of the company or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the company or any of its subsidiaries for subscription, purchase or exchange;
- (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.

For the purposes of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the company), connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

95. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

96. The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles prohibiting a director from voting at a meeting of directors or of a committee of directors.

97. Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the company or any body corporate in which the company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

98. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

SECRETARY

99. Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

MINUTES

100. The directors shall cause minutes to be made in books kept for the purpose—

- (a) of all appointments of officers made by the directors; and
- (b) of all proceedings at meetings of the company, of the holders of any class of shares in the company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

THE SEAL

101. *The seal shall only be used 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 and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.*

DIVIDENDS

102. Subject to the provisions of the Act, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount *recommended by the directors.*

103. Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

104. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

105. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

106. Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.

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

108. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the company.

ACCOUNTS

109. No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorised by the directors or by ordinary resolution of the company.

CAPITALISATION OF PROFITS

110. The directors may with the authority of an ordinary resolution of the company—

- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the company's share premium account or capital redemption reserve;
- (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this regulation in fractions; and
- (d) authorise any person to enter on behalf of all the members concerned into an agreement with the company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

NOTICES

111. Any notice to be given to or by any person pursuant to the articles (other than a notice calling a meeting of the directors) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice.

In this regulation, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

112. The company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the company by the member. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be given to him, or an address to which notices may be sent using electronic communications, shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.

In this regulation and the next, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

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

114. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.

115. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.

116. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

WINDING UP

117. If the company is wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

INDEMNITY

118. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be

indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.