

**Private and Confidential**

THE COMPANIES ACT 1985 AND 1989

and

THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION

of

REFLEC PLC  
(Company Number: 3077246)

(amended by special resolution passed 30 June 2010)

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1. INTERPRETATION

1.1 In this Articles the following words bear the following meanings:-

"1985 Act"	the Companies Act 1985 to the extent in force from time to time;
"2006 Act"	the Companies Act 2006 to the extent in force from time to time;
"AIM"	the Alternative Investment Market of the London Stock Exchange;
"AIM Rules"	the rules published by the London Stock Exchange governing the admission to, and operation of, AIM from time to time;
"Annual General Meeting"	the annual general meeting of the Company held in accordance with section 360 of the 2006 Act;
"Articles"	the Articles of Association of the Company as from time to time amended;
"Associated Company"	has the same meaning as in section 256 of the 2006 Act;
"clear days"	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"Companies Acts"	has the same meaning as in the 2006 Act but shall only extend to provisions which are in force at the relevant date;
"electronic address"	any number or address used for the purposes of sending or receiving notices, documents or information by electronic means;
"electronic form"	has the same meaning as in the 2006 Act;
"electronic means"	has the same meaning as in the 2006 Act;
"executed"	any mode of execution;
"General Meeting"	any general meeting of the Company, including any general meeting held as the Company's Annual General Meeting;
"hard copy form"	has the same meaning as in the 2006 Act;
"holder"	in relation to shares, the member whose name is entered in the Register as the holder of the shares;
"Office"	the registered office of the Company for the time being;
"Operator"	CRESTCo Limited or such other person as may for the time being be approved as Operator under the Uncertificated Securities Regulations;
"recognised person"	a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated as mentioned in section 778 of the 2006 Act;
"Register"	the register of members of the Company;
"Seal"	the common seal (if any) of the Company and an official seal (if any) kept by the Company for sealing securities issued by the Company, or for sealing documents creating or evidencing securities so issued, as permitted by the Companies Acts, or either of them as the case may require;
"Secretary"	the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
"Uncertificated Securities Regulations"	subject to paragraph 1.4 of this Article, the Uncertificated Securities Regulations 2001.

1.2 In these Articles, references to a share being in uncertificated form are references to that share being an uncertificated unit of a security and references to a share being

in certificated form are references to that share being a certificated unit of a security, PROVIDED THAT any reference to a share in uncertificated form applies only to a share of a class which is, for the time being, a participating security, and only for so long as it remains a participating security.

1.3 SAVE as aforesaid and unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Companies Acts or the Uncertificated Securities Regulations (as the case may be).

1.4 Except where otherwise expressly stated, a reference in these Articles to any primary or delegated legislation or legislative provision includes a reference to any modification or re-enactment of it for the time being in force.

1.5 In these Articles, unless the context otherwise requires:-

- (a) words in the singular include the plural, and vice versa;
- (b) words importing any gender include all genders; and
- (c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.

1.6 In these Articles:-

- (a) references to writing include reference to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form and documents and information sent or supplied in electronic form or made available on a website are "in writing" for the purposes of these Articles;
- (b) references to "other" and "otherwise" shall not be construed eiusdem generic where a wider construction is possible;
- (c) references to a power are to a power of any kind, whether administrative, discretionary or otherwise; and
- (d) reference to a committee of the directors are to a committee established in accordance with these Articles, whether or not comprised wholly of directors.

1.7 The headings are inserted for convenience only and do not affect the construction of these Articles.

1.8 A special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles.

1.9 Neither the regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 nor any other Articles or regulations which may apply to companies under the Companies Acts, unless excluded or modified, shall apply to the Company.

## 2. SHARE CAPITAL

2.1 Subject to the provisions of the Companies Acts 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 (or, if the Company has not so determined, as the directors may determine).

- 2.2 Subject to the provisions of the Companies Acts, any share may be issued which is or is to be liable, to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these Articles.
- 2.3 Subject to the provisions of the Companies Acts, these Articles and any resolution of the Company passed pursuant thereto, the unissued shares in the Company shall be at the disposal of the directors, who may offer, allot, grant options over or otherwise dispose of them to such persons and on such terms as the directors think fit.
- 2.4 The Company may exercise the powers of paying commissions conferred by the Companies Acts. Subject to the provisions of the Companies Acts, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
- 2.5 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 these 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 of it in the holder.
- 2.6 Without prejudice to any powers which the Company or the directors may have to issue, allot, dispose of, convert, or otherwise deal with or make arrangements in relation to, shares and other securities in any form:-
  - (a) the holding of shares in uncertificated form and the transfer of title to such shares by means of a relevant system shall be permitted; and
  - (b) the Company may issue shares in uncertificated form and may convert shares from certificated form to uncertificated form and vice versa.
- 2.7 If and to the extent that any provision of these Articles is inconsistent with such holding or transfer as is referred to in paragraph 2.6(a) above or with any provision of the Uncertificated Securities Regulations, it shall not apply to any share in uncertificated form.
- 2.8 Notwithstanding anything else contained in these Articles, where any class of shares is, for the time being, a participating security, unless the directors otherwise determine, shares of any such class held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings.

### 3. SHARE WARRANTS TO BEARER

- 3.1 The Company may, with respect to any fully paid shares, issue a warrant (a "Share Warrant") stating that the bearer of the warrant is entitled to the shares specified in it and may provide (by coupons or otherwise) for the payment of future dividends on the shares included in a Share Warrant.
- 3.2 The powers referred to in Article 3.1 may be exercised by the directors, who may determine and vary the conditions on which Share Warrants shall be issued, and in particular on which:-

- (a) a new Share Warrant or coupon will be issued in the place of one damaged, defaced, worn out or lost (PROVIDED THAT no new Share Warrant shall be issued to replace one that has been lost unless the directors are satisfied beyond reasonable doubt that the original has been destroyed);
- (b) the bearer of a Share Warrant shall be entitled to receive notice of and to attend, vote and demand a poll at general meetings;
- (c) dividends will be paid; and
- (d) a Share Warrant may be surrendered and the name of the holder entered in the Register in respect of the shares specified in it.

3.3 Subject to such conditions and to these Articles, the bearer of a Share Warrant shall be deemed to be a member for all purposes. The bearer of a Share Warrant shall be subject to the conditions for the time being in force and applicable thereto, whether made before or after the issue of such Share Warrant.

#### 4. VARIATION OF RIGHTS

4.1 Subject to the provisions of the Companies Acts, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied, either while the Company is a going concern or during or in contemplation of a winding up:-

- (a) in such manner (if any) as may be provided by those rights; or
- (b) in the absence of any such provision, with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares), or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class,

but not otherwise. To every such separate meeting the provisions of these Articles relating to General Meetings shall apply, except that the necessary quorum at any such meeting other than an adjourned meeting shall be two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares) and at an adjourned meeting shall be one person holding shares of the class in question (other than treasury shares) or his proxy.

4.2 Unless otherwise expressly provided by the rights attached to any class of shares, those rights shall be deemed not to be varied by the purchase by the Company of any of its own shares or the holding of such shares as treasury shares.

#### 5. SHARE CERTIFICATES

5.1 Subject to clause 5.2 of this Article, every holder of shares (other than a financial institution in respect of whom the Company is not required by law to complete and have ready a certificate) 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 such shares of any class, to a certificate for the balance of that holding) or, upon payment for every certificate after the first of such reasonable sum as the directors may determine, to several certificates each for one or more of his shares. Every

certificate shall be issued under the Seal, or bearing an imprint or representation of the Seal or such other form of authentication as the directors may determine, 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 on them. 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.

- 5.2 Clause 5.1 of this Article shall not apply in relation to shares in uncertificated form.
- 5.3 If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of any exceptional expenses 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.

## 6. LIEN

- 6.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to all amounts payable in respect of it.
- 6.2 The Company may sell, in such manner as the directors determine, any share on which the Company has a lien if an amount in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been given to the holder of the share, or 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.
- 6.3 To give effect to the sale the directors may, in the case of a share in certificated form, authorise some person to execute an instrument of transfer of the share sold to, or in accordance with the directions of, the purchaser; and, in the case of a share in uncertificated form, the directors may, to enable the Company to deal with the share in accordance with the provisions of this Article, require the Operator of a relevant system to convert the share into certificated form and after such conversion may authorise any person to execute an instrument of transfer and/or take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer. The title of the transferee to the share shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 6.4 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the amount 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 share sold, in the case of a share in certificated form, and subject to a like lien for any amount not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

## 7. CALLS ON SHARES AND FORFEITURE

- 7.1 Subject to the terms of allotment, the directors may make calls upon the members in respect of any amounts unpaid on their shares (whether in respect of nominal value

or premium) and each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company 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 an amount due under it, be revoked in whole or in 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 of which the call was made.

- 7.2 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 7.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.
- 7.4 If a call or an instalment of a call remains unpaid after it has become due and payable the person from whom it is due 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 shares in question or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Companies Acts) but the directors may waive payment of the interest wholly or in part.
- 7.5 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 these Articles shall apply as if that sum had become due and payable by virtue of a call.
- 7.6 Subject to the terms of allotment, the directors may differentiate between the holders in the amounts and times of payment of calls on their shares.
- 7.7 The directors may receive from any member willing to advance it all or any part of the amount unpaid on the shares held by him (beyond the sums actually called up) as a payment in advance of calls, and such payment shall, to the extent of it, extinguish the liability on the shares in respect of which it is advanced. The Company may pay interest on the amount so received, or so much of it as exceeds the sums called up on the shares in respect of which it has been received, at such rate (if any) as the member and the directors agree.
- 7.8 If a call or an instalment of 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 14 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. If the notice is not complied with, any shares 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 and other amounts payable in respect of the forfeited shares and not paid before the forfeiture.
- 7.9 Subject to the provisions of the Companies Acts, 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 the disposition, the forfeiture may be cancelled on such terms as the directors determine. Where for the purposes of its disposal a

forfeited share is to be transferred to any person, the directors may, in the case of a share in certificated form, authorise someone to execute an instrument of transfer and, in the case of a share in uncertificated form, the directors may, to enable the Company to deal with the share in accordance with the provisions of this Article, require the Operator of a relevant system to convert the share into certificated form and after such conversion may authorise any person to execute an instrument of transfer and/or take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer of the share to that person.

- 7.10 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 any certificate for the shares forfeited but shall remain liable to the Company for all amounts 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 amounts before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Companies Acts) 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.
- 7.11 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, in the case of a share in certificated form) 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 relating to the forfeiture or disposal of the share.

## 8. TRANSFER OF SHARES

- 8.1 The instrument of transfer of a share in certificated form may be in any usual form or in any other form which the directors approve and shall be executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect thereof.
- 8.2 Where some only of the shares comprised in a share certificate are transferred the old certificate shall be cancelled and, to the extent that the balance is to be held in certificated form, a new certificate for the balance of such shares issued in lieu without charge.
- 8.3 Where any class of shares is, for the time being, a participating security, title to shares of that class which are recorded on an Operator register of members as being held in uncertificated form may be transferred by means of the relevant system concerned.
- 8.4 The directors may:-
- (a) in their absolute discretion refuse to register the transfer of a share in certified form which is not fully paid PROVIDED THAT if the share is admitted to trading on AIM such refusal does not prevent dealings in the shares from

taking place on an open and proper basis. They may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:-

- (i) is lodged, duly stamped, at the Office or at such other place as the directors may appoint and (except in the case of a transfer by a financial institution where a certificate has not been issued in respect of the share) is accompanied by the certificate for the share 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;
  - (ii) is in respect of only one class of share; and
  - (iii) is in favour of not more than four transferees,
- (b) refuse to register a transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the requirement) under the Uncertificated Securities Regulations to register the transfer; and they may refuse to register any such transfer in favour of more than four transferees.

8.5 If the directors refuse to register a transfer of a share, they shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company (in the case of a share in certificated form) or the date on which the Operators' instruction was received by the Company (in the case of a share in uncertificated form to a person who is to hold it thereafter in certificated form) send to the transferee notice of the refusal giving reasons for the refusal.

8.6 Subject to the Uncertificated Securities Regulations, the registration of transfers of shares or of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the directors may determine.

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

8.8 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 (except in the case of fraud) be returned to the person lodging it when notice of the refusal is given.

8.9 Nothing in these Articles shall preclude the directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

## 9. TRANSMISSION OF SHARES

9.1 If a member dies the survivor or survivors where he was a joint holder, or 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 in this Article shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.

9.2 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 transfer title to the share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer (if any) as if it were an instrument of transfer signed by the member and the death or bankruptcy of the member had not occurred.

- 9.3 A person becoming entitled to a share by reason 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 General Meeting or at any separate meeting of the holders of any class of shares.

## 10. DISCLOSURE OF INTERESTS

- 10.1 If a member, or any other person appearing to be interested in shares held by that member, has been given a notice under section 793 of the 2006 Act and has failed in relation to any shares (the "Default Shares") to give the Company the information thereby required within 14 days from the date of giving the notice, the following sanctions shall apply, unless the directors otherwise determine:-

- (a) the member shall not be entitled in respect of the Default Shares to be present or to vote (either in person or by representative or proxy) at any General Meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll;
- (b) where the default shares represent at least 0.25% of their class (calculated exclusive of treasury shares):-
  - (i) any dividend payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it, and the member shall not be entitled to elect, pursuant to these Articles, to receive shares instead of that dividend; and
  - (ii) no transfer, other than an excepted transfer, of any shares held by the member in certificated form shall be registered unless:-
    - (1) the member is not himself in default as regards supplying the information required; and
    - (2) the member proves to the satisfaction of the directors that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer,

PROVIDED THAT, in the case of shares in uncertificated form, the directors may only exercise their discretion not to register if permitted to do so by the Uncertificated Securities Regulations,

- (iii) for the purposes of sub-paragraph 10.1(b)(ii) of this Article, in the case of shares held by the member in uncertificated form, the directors may, to enable the Company to deal with the shares in accordance with the provisions of this Article, require the Operator of a relevant system to convert the shares into certificated form.

10.2 Where the sanctions under paragraph 10.1 of this Article apply in relation to any shares, they shall cease to have effect at the end of the period of 7 days (or such shorter period as the directors may determine) following the earlier of:-

- (a) receipt by the Company of the information required by the notice mentioned in that paragraph; and
- (b) receipt by the Company of notice that the shares have been transferred by means of an excepted transfer,

and the directors may suspend or cancel any of the sanctions at any time in relation to any shares.

10.3 Any new shares in the Company issued in right of Default Shares shall be subject to the same sanctions as apply to the Default Shares, and the directors may make any right to an allotment of the new shares subject to sanctions corresponding to those which will apply to those shares in issue: PROVIDED THAT any sanctions applying to, or to a right to, new shares by virtue of this paragraph shall cease to have effect when the sanctions applying to the related Default Shares cease to have effect (and shall be suspended or cancelled if and to the extent that the sanctions applying to the related Default Shares are suspended or cancelled); and provided further that paragraph 10.1 of this Article shall apply to the exclusion of this paragraph if the Company gives a separate notice under section 793 of the 2006 Act in relation to the new shares.

10.4 Where, on the basis of information obtained from a member in respect of any share held by him, the Company gives a notice under Section 793 of the 2006 Act to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of paragraph 10.1 of this Article.

10.5 For the purposes of this Article:-

- (a) a person, other than the member holding a share, shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member, or pursuant to a notice under section 793 of the 2006 Act, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
- (b) "interested" shall be construed as it is for the purpose of section 793 of the 2006 Act;
- (c) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes:-
  - (i) reference to his having failed or refused to give all or any part of it; and
  - (ii) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular,

- (d) an "excepted transfer" means, in relation to any shares held by a member:-
- (i) a transfer pursuant to acceptance of a takeover bid (within the meaning of Part 28 of the 2006 Act) in respect of shares in the Company; or
  - (ii) a transfer in consequence of a sale made through a Recognised Person or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or
  - (iii) a transfer which is shown to the satisfaction of the directors to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.

10.6 Nothing in this Article shall limit the powers of the Company under section 793 of the 2006 Act or any other powers of the Company whatsoever.

## 11. UNTRACED MEMBERS

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

- (a) for a period of 12 years no cheque or warrant or other method of payment for amounts payable in respect of the share sent and payable in a manner authorised by these Articles has been cashed or been successful and no communication has been received by the Company from the member or person concerned;
- (b) during that period at least three dividends in respect of the share have become payable;
- (c) the Company has, after the expiration of that period, by advertisement in a national newspaper published in the United Kingdom and in a newspaper circulating in the area of the registered address or last known address of the member or person concerned, given notice of its intention to sell such share; and
- (d) the Company has not during the further period of three months after the date of the advertisement and prior to the sale of the share received any communication from the member or person concerned.

11.2 The Company shall also be entitled to sell at the best price reasonably obtainable at the time of sale any additional share issued during the said period of 12 years in right of any share to which paragraph 11.1 of this Article applies (or in right of any share so issued), if the criteria in sub-paragraphs (a), (c) and (d) of that paragraph are satisfied in relation to the additional share (but as if the words "for a period of 12 years" were omitted from sub-paragraph (a) and the words, ", after the expiration of that period," were omitted from sub-paragraph (c)).

11.3 To give effect to the sale of any share pursuant to this Article the Company may, in the case of a share in certificated form, authorise any person to execute an instrument of transfer of the share sold to, or in accordance with the directions of the

purchaser; and in the case of a share in uncertificated form, the Company may, to enable the Company to deal with the share in accordance with the provisions of this Article, require the Operator of a relevant system to convert the share into certificated form and after such conversion may authorise any person to execute an instrument of transfer and/or take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as it thinks fit to effect the transfer. The purchaser shall not be bound to see to the application of the proceeds of sale, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings relating to the sale. The Company shall be indebted to the member or other person entitled to the share for an amount equal to the net proceeds of the sale, but no trust or duty to account shall arise and no interest shall be payable in respect of the proceeds of sale.

## 12. ALTERATION OF CAPITAL

12.1 Subject to the provisions of the Companies Acts, 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) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum;
- (d) determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with the others; and
- (e) 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.

12.2 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 to any person (including, subject to the provisions of the Companies Acts, the Company) the shares representing the fractions for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion among those members save that, the Company shall be entitled to retain any members' fractional entitlement which is equal to or less than £10.00, and the directors may, in the case of shares in certificated form, authorise some person to execute an instrument of transfer of the shares to or in accordance with the directions of the purchaser; and, in the case of shares in uncertificated form, the directors may, to enable the Company to deal with the shares in accordance with the provisions of this Article, require the Operator of a relevant system to convert the shares into certificated form and after such conversion may authorise any person to execute an instrument of transfer and/or take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer. 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.

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

### 13. PURCHASE OF OWN SHARES

13.1 Subject to the provisions of the Companies Acts, to any rights for the time being attached to any shares and to any requirements imposed by the AIM Rules, the Company may purchase its own shares, (including redeemable shares) and may hold such shares as treasury shares or cancel them.

13.2 The Company may not exercise any right in respect of treasury shares held by it, including any right to attend or vote at meetings, to participate in any offer by the Company to shareholders or to receive any distribution (including in a winding-up), but without prejudice to its right to sell the treasury shares, to transfer the shares for the purposes of or pursuant to an employees' share scheme, to receive an allotment of shares as fully paid bonus shares in respect of the treasury shares or to receive any amount payable on redemption of any redeemable treasury shares.

### 14. GENERAL MEETINGS

14.1 An Annual General Meeting shall be held in each period of six months beginning with the day following the Company's accounting reference date, at such place, date and time as may be determined by the directors.

14.2 The directors may call General Meetings. If there are not within the United Kingdom sufficient directors to call a General Meeting, any director or, if there is no director within the United Kingdom, any member of the Company may call a General Meeting.

### 15. NOTICE OF GENERAL MEETINGS

15.1 Subject to the provisions of the Companies Acts, an Annual General Meeting shall be called by at least 21 clear days' notice, and a General Meeting other than an Annual General Meeting shall be called by at least 14 clear days' notice.

15.2 The notice shall specify the place, the date and the time of meeting, the general nature of the business to be transacted and if any resolution is to be proposed as a special resolution a statement to that effect, and in the case of an Annual General Meeting shall specify the meeting as such. Where the Company has given an electronic address in any notice of meeting, any document or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting.

15.3 The notice shall specify with reasonable prominence that a member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote; and that a proxy need not be a member of the Company.

15.4 Subject to the provisions of these Articles and to any rights or restrictions attached to any shares, notices shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors of the Company.

15.5 The accidental omission to give notice of a meeting to, or the failure to give notice due to circumstances beyond the Company's control 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.

16. PROCEEDINGS AT GENERAL MEETINGS

16.1 No business shall be transacted at any meeting unless a quorum is present. 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 which is a member, shall be a quorum.

16.2 If a quorum is not present within half an hour after the time appointed for holding the meeting, or if during a meeting 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 day, time and place as the directors may determine. If at the adjourned meeting a quorum is not present within 15 minutes after the time appointed for holding the meeting, the meeting shall be dissolved.

16.3 The chairman (if any) of the board of directors, or in his absence the deputy chairman, or in the absence of both of them some other director nominated by the directors, shall preside as chairman of the meeting, but if neither the chairman nor the deputy chairman nor such other director (if any) is present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number present to be chairman and, if there is only one director present and willing to act, he shall be chairman.

16.4 If no director is willing to act as chairman, or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

16.5 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.

16.6 Without prejudice to any other power of adjournment he may have under these Articles or at common law, 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 14 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 notice of an adjournment.

16.7 If an amendment proposed to any resolution under consideration is ruled out of order by the chairman, the proceedings on the resolution shall not be invalidated by any error in the ruling.

16.8 A resolution put to the vote of a meeting may be decided by a poll or on a show of hands. A poll may be demanded:-

(a) by the chairman; or

- (b) by not less than five members (including proxies for members) having the right to vote at the meeting; or
- (c) by a member or members (including proxies for members) representing not less than one-tenth of the total voting rights of all the members (including proxies for members) having the right to vote at the meeting (excluding any voting rights attached to any shares in the Company held as treasury shares); or
- (d) by a member or members (including proxies for members) holding (or representing members who hold) shares conferring a right to vote on the resolution 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 (excluding any shares in the Company conferring a right to vote at the meeting which are held as treasury shares).

If there is no such demand prior to a resolution being put to the vote at a meeting, the resolution shall be decided on a show of hands, unless a poll is demanded on the declaration of the results of the show of hands.

- 16.9 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.
- 16.10 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.
- 16.11 A poll shall be taken as the chairman directs (including by use of ballot or voting papers or electronic means, or any combination thereof), 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.
- 16.12 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 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 16.13 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 in respect of 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.

## 17. VOTES OF MEMBERS

- 17.1 Subject to any rights or restrictions attached to any shares and to the provisions of the Companies Acts, on a show of hands every member who (being an individual) is

present in person or (being a corporation) is present by a duly authorised representative who is not himself a member entitled to vote, shall have one vote, and on a poll every member (or proxy therefore) shall have one vote for every share of which he is the holder. A proxy representing a member (other than the chairman of the meeting in his capacity as a proxy) can vote on a show of hands but shall have only one vote even if he is also a member himself or is a proxy for more than one person.

- 17.2 In the case of joint holders the vote of the senior who tenders a vote 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.
- 17.3 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, on a show of hands or on a poll, by any person authorised in that behalf by that court, who may on a poll vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming the right to vote shall be deposited or sent to the Office, or such other place as is specified in accordance with these Articles for the deposit or receipt of appointments 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.
- 17.4 No member shall have the right to vote at any General Meeting or at any separate meeting of the holders of any class of shares, either in person or by representative or proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.
- 17.5 No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, any vote, except at the meeting or adjourned meeting at which the vote objected to is tendered. Subject to any objection made in due time, every vote counted and not disallowed at the meeting shall be valid and every vote disallowed or not counted shall be invalid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
- 17.6 On a poll, votes may be given either personally or by proxy or (in the case of a corporate member) by a duly authorised representative, and every member who is present in person or by proxy or by a duly authorised representative shall have one vote for every share of which he is the holder.
- 17.7 A proxy need not be a member. A member may appoint more than one proxy to attend on the same occasion, PROVIDED THAT each proxy is appointed to exercise the rights attached to a different share or shares held by him. Submitting of an appointment of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it.
- 17.8 Subject to Article 17.9 below, an appointment of a proxy shall be in writing in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the appointor which in the case of a corporation may execute a form of proxy either under its common seal or under the hand of a duly authorised officer.
- 17.9 The directors may allow the appointment of a proxy to be sent or supplied in electronic form subject to any conditions or limitations as the directors may specify,

and where the Company has given an electronic address in any instrument of proxy or invitation to appoint a proxy, any document or information relating to proxies for the meeting (including any document necessary to show the validity of, or otherwise relating to, the appointment of a proxy, or notice of the termination of the authority of a proxy) may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting.

17.10 The appointment of a proxy and any authority under which it is executed or a copy of the authority certified notarially or in some other way approved by the directors may:-

- (a) in the case of an appointment of proxy in hard copy form, be deposited at the Office or at such other place in the United Kingdom as is specified in the notice convening the meeting, or in any instrument of proxy or any invitation to appoint a proxy sent out or made available 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 appointment of proxy proposes to vote; or
- (b) in the case of an appointment of proxy in electronic form, be received at the address specified in the notice convening the meeting, or in any instrument of proxy or any invitation to appoint a proxy sent out or made available 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 appointment of proxy proposes to vote; or
- (c) in the case of a poll taken more than 48 hours after it was demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for taking the poll; or
- (d) where the poll is not take forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting to the chairman or to the Secretary or any director,

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

17.11 The directors may at their discretion determine that, in calculating the periods mentioned in paragraph 17.10 of this Article, no account shall be taken of any part of any day that is not a working day (within the meaning of section 1173 of the 2006 Act).

17.12 The appointment of a proxy shall, unless the contrary is stated thereon, be as valid for any adjournment of a meeting as it is for the meeting to which it relates. An appointment relating to more than one meeting (including any adjournment of any such meeting) having once been delivered in accordance with paragraph 17.10 of this Article for the purposes of any such meeting does not need to be delivered again for the purposes of any subsequent meeting to which it relates.

17.13 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 an appointment of proxy may be duly deposited or the address where an appointment in electronic form may be 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 not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

- 17.14 The appointment of a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll (and for the purposes of these Articles a demand for a poll made by a person as proxy for a member or as the duly authorised representative of a corporate member shall be the same as a demand made by the member). A proxy may speak at a meeting in respect of which he has been appointed as proxy.
- 17.15 The directors may at the expense of the Company send or make available instruments of proxy or invitations to appoint a proxy to the members by post or by electronic means or otherwise (with or without provision for their return prepaid) for use at any General Meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the directors or any other person. If for the purpose of any meeting instruments of proxy or invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote at it. The accidental omission, or the failure due to circumstances beyond the Company's control, to send or make available such an instrument of proxy or give such an invitation to, or the non-receipt thereof by, any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.
- 17.16 Where two or more valid but differing appointments of proxy are received in respect of the same share for use at the same meeting the one which is last sent shall be treated as replacing and revoking the other or others. If the Company is unable to determine which is last sent, the one which is last received shall be so treated. If the Company is unable to determine either which is last sent or which is last received, none of them shall be treated as valid in respect of that share.

18. CORPORATIONS ACTING BY REPRESENTATIVES

Any corporation (other than the Company itself) which is a member of the Company may, by resolution of its directors or other governing body, authorise a person or persons as it thinks fit to act as its representative or representatives at any General Meeting of the Company, or at any separate meeting of the holders of any class of shares. Except as otherwise provided in these Articles, the person so authorised shall be entitled to exercise the same power on behalf of the corporation as the corporation could exercise if it were an individual member of the Company, and the corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it.

19. SECURITY ARRANGEMENTS AND ORDERLY CONDUCT

- 19.1 The directors may direct that any person wishing to attend any meeting should provide evidence of identity and submit to such searches or other security arrangements or restrictions as the directors shall consider appropriate in the circumstances. The directors shall be entitled in their absolute discretion to refuse entry to, or eject from, any meeting any person who fails to provide such evidence of identity or to submit to such searches or to otherwise comply with such security arrangements or restrictions.

19.2 The chairman shall take such action or give such directions as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of the meeting. The chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final, as shall his determination as to whether any matter is of such a nature.

## 20. DIRECTORS

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

20.2 A director shall not require a share qualification. A director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meetings of the Company.

20.3 Until otherwise determined by the Company by ordinary resolution, there shall be paid to each of the directors (other than alternate directors) such fees for his services in the office of director as the directors may determine (not exceeding £500,000 per annum in aggregate or such larger amount as the Company may by ordinary resolution decide). The fees shall be deemed to accrue from day to day and shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any director pursuant to any other provision of these Articles.

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

20.5 Any director who performs, or undertakes to perform, services which the directors consider go beyond the ordinary duties of a director may be paid such special remuneration (whether by way of fixed sum, bonus, commission, participation in profits or otherwise) as the directors may determine.

## 21. ALTERNATE DIRECTORS

21.1 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 appointed by him.

21.2 An alternate director shall (unless he is absent from the United Kingdom) be entitled to receive notices of meetings of the directors and of committees of the directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not present, and generally to perform all the functions of his appointor as a director in his absence, but shall not (unless the Company by ordinary resolution otherwise determines) be entitled to any fees for his services as an alternate director.

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

21.4 An appointment or removal of an alternate director shall be by notice to the Company executed by the director making or revoking the appointment or in any other manner approved by the directors.

21.5 Save as otherwise provided in these 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.

## 22. POWERS OF DIRECTORS

22.1 The business of the Company shall be managed by the directors who, subject to the provisions of the Companies Acts, the memorandum and these Articles and to any directions given by special resolution, may exercise all the powers of the Company. No alteration of the memorandum or these 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 Article shall not be limited by any special power given to the directors by these Articles and a meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

22.2 The directors shall restrict the borrowings of the Company and exercise all powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Group (excluding amounts borrowed by any member of the Group from any other member of the Group, other than amounts to be taken into account under paragraph 22.5(c) and (d) of this Article) shall not at any time, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to three times the aggregate of share capital and consolidated reserves.

22.3 In this Article "share capital and consolidated reserves" means the aggregate of:-

- (a) the amount paid up or credited as paid up on the share capital of the Company; and
- (b) the aggregate amounts of the consolidated capital and revenue reserves (including share premium account, capital redemption reserve and profit and loss account) of the Company and its subsidiary undertakings,

all as shown by the then latest audited consolidated balance sheet of the Company and its subsidiary undertakings but:-

- (i) adjusted as may be appropriate in respect of (i) any subsequent variation in the paid up share capital or share premium account of the Company, and so that for this purpose if the Company has issued any shares for cash and the issue has been underwritten then the amount (including any premium) of the subscription moneys (not being moneys payable later than three months after the date of allotment) shall be deemed to have been paid up at the date when the underwriting became unconditional; (ii) any unconsolidated subsidiary undertaking; (iii) any companies which since the date of such balance sheet have become or have ceased to be subsidiary undertakings; and (iv) any companies which will become or cease to be subsidiary

undertakings as a result of the transaction in relation to which the calculation falls to be made;

- (ii) after making an appropriate deduction in respect of any distribution other than to the Company or another subsidiary undertaking out of profits earned prior to the date of such balance sheet and not provided for therein;
- (iii) excluding any amounts set aside for taxation and any amounts attributable to minority interests in subsidiary undertakings;
- (iv) deducting a sum equivalent to any debit balance of profit and loss account; and
- (v) after making such other adjustments (if any) as the auditors may consider appropriate.

The certificate of the auditors as to the amount of the share capital and consolidated reserves at any time shall be conclusive and binding upon all concerned.

22.4 In this Article:-

- (a) "the Group" means the Company and its subsidiary undertakings (if any); and
- (b) "subsidiary undertaking" has the same meaning as in the Companies Acts.

22.5 For the purposes of this Article, but without prejudice to the generality of the terms "borrowing" and "borrowed":-

- (a) amounts borrowed for the purpose of repaying the whole or any part of any amounts previously borrowed and then outstanding (including any premium payable on final repayment) and to be applied for that purpose within six months of the borrowing shall not, pending such application, be taken into account as money borrowed;
- (b) the principal amount (including any premium payable on final repayment) of any debentures issued in whole or in part for a consideration other than cash shall be taken into account as money borrowed by the member of the Group issuing them;
- (c) money borrowed by a partly-owned subsidiary undertaking and not owing to another member of the Group shall (notwithstanding subparagraph (b) of this Article) be taken into account subject to the exclusion of a proportion of it equal to the minority proportion, and money borrowed and owing to a partly-owned subsidiary undertaking by another member of the Group shall (subject to sub-paragraph (d) of this paragraph) be taken into account to the extent of a proportion of it equal to the minority proportion (and for the purpose of this subparagraph "minority proportion" means the proportion of the issued equity share capital of the partly-owned subsidiary undertaking which is not attributable, directly or indirectly, to the Company); and
- (d) in the case of money borrowed and owing to a partly-owned subsidiary undertaking by another partly-owned subsidiary undertaking the proportion

which would otherwise be taken into account under subparagraph (c) of this Article shall be reduced by excluding such part of it as is equal to the proportion of the issued equity share capital of the borrowing subsidiary undertaking which is not attributable, directly or indirectly, to the Company.

22.6 In calculating the aggregate amount of borrowings for the purpose of this Article, money borrowed by any member of the Group which is denominated or repayable in a currency other than sterling shall be treated as converted into sterling:-

- (a) at the rate of exchange used for the conversion of that currency in the latest audited balance sheet of that member; or
- (b) if no rate was so used, at the middle market rate of exchange prevailing in London at the close of business on the date of that balance sheet, but if the amount in sterling resulting from conversion at that rate would be greater than that resulting from conversion at the middle market rate prevailing in London at the close of business on the business day immediately preceding the day on which the calculation falls to be made, the latter rate shall apply instead.

22.7 No debt incurred or security given in respect of money borrowed or to be taken into account as money borrowed in excess of the above limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded, but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.

22.8 In this Article references to a consolidated balance sheet and profit and loss account of the Group are to be taken:-

- (a) in a case where the Company had no subsidiary undertakings at the relevant time, as references to the balance sheet and profit and loss account of the Company;
- (b) in a case where the Company had subsidiary undertakings at the relevant time but there are no consolidated accounts of the Group, as references to the respective balance sheets and profit and loss accounts of the companies comprising the Group; and
- (c) in a case where the Company had subsidiary undertakings at the relevant time, one or more of which has, in accordance with the Companies Acts, been excluded from consolidation as references to the consolidated balance sheet and profit and loss account of the Company and those of its subsidiary undertakings included in the consolidation.

## 23. DELEGATION OF DIRECTORS' POWERS

23.1 The directors may delegate any of their powers:-

- (a) to any managing director, any director holding any other executive office or any other director;
- (b) to any committee consisting of one or more directors and (if thought fit) one or more other persons, but a majority of the members of the committee shall be

directors and no resolution of the committee shall be effective unless a majority of those present when it is passed are directors; and

- (c) to any local board or agency for managing any of the affairs of the Company either in the United Kingdom or elsewhere.

23.2 Any such delegation (which may include authority to sub-delegate all or any of the powers delegated) may be subject to any conditions the directors impose and either collaterally with or to the exclusion of their own powers and may be revoked or varied. The power to delegate under this Article, being without limitation, includes power to delegate the determination of any fee, remuneration or other benefit which may be paid or provided to any director; and the scope of the power to delegate under sub-paragraph (a), (b) or (c) of paragraph 23.1 of this Article shall not be restricted by reference to or inference from any other of those sub-paragraphs. Subject as aforesaid, the proceedings of any committee, local board or agency with two or more members shall be governed by such of these Articles as regulate the proceedings of directors so far as they are capable of applying.

23.3 The directors may, by power of attorney or otherwise, appoint any person, whether nominated directly or indirectly by the directors, to be the agent of the Company for such purposes and subject to such conditions as they think fit, and may delegate any of their powers to such an agent. The directors may revoke or vary any such appointment or delegation and may also authorise the agent to sub-delegate all or any of the powers vested in him.

#### 24. APPOINTMENT AND RETIREMENT OF DIRECTORS

24.1 At the Annual General Meeting in every year there shall retire from office by rotation:-

- (a) all directors who held office at the time of the two preceding Annual General Meetings and who did not retire by rotation at either of them; and
- (b) if the number of directors retiring under (a) above is less than one-third of the directors or, if their number is not three or a multiple of three, less than the number which is nearest to but does not exceed one-third, such additional number of directors as shall together with the directors retiring under (a) above equal one-third of the directors or, if their number is not three or a multiple of three, the number which is nearest to but does not exceed one-third.

24.2 Subject to the provisions of the Companies Acts and to the following provisions of these Articles, the directors to retire by rotation pursuant to Article 24.1(b) shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

24.3 If the Company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.

24.4 No person other than a director retiring at the meeting shall be appointed or reappointed a director at any General Meeting unless:-

- (a) he is recommended by the directors; or
  - (b) not less than seven nor more than thirty-five days before the date appointed for holding the meeting, notice executed by a member qualified to vote on the appointment or reappointment 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 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.
- 24.5 At a General Meeting a motion for the appointment of two or more persons as directors by a single resolution shall not be made, unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and for the purposes of this Article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.
- 24.6 Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, and may also determine the rotation in which any additional directors are to retire.
- 24.7 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 as the maximum number of directors. A director so appointed shall retire at the next following annual General Meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting.
- 24.8 Subject as aforesaid, a director who retires at an Annual General Meeting may be reappointed. If he is not reappointed or deemed to have been reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

25. DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 25.1 Without prejudice to the provisions of the Companies Acts, the Company may, by ordinary resolution of which special notice has been given, remove a director before the expiration of his period of office (but such removal shall be without prejudice to any claim to damages for breach of any contract of service between the director and the Company) and, subject to these Articles, may, by ordinary resolution, appoint another person instead of him. A person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed or reappointed a director.
- 25.2 The office of a director shall be vacated if:-
- (a) he ceases to be a director by virtue of any provision of the Companies Acts 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 1984, or
- (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of any person to exercise powers with respect to his property or affairs; or
- (d) he resigns his office by notice in writing to the Company; or
- (e) in the case of a director who holds any executive office, his appointment as such is terminated or expires and the directors resolve that his office be vacated; or
- (f) he is absent for more than six consecutive months without permission of the directors from meetings of the directors held during that period and the directors resolve that his office be vacated; or
- (g) he is requested in writing by all the other directors to resign.

## 26. DIRECTORS' APPOINTMENTS AND INTERESTS

- 26.1 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, subject to the provisions of the Companies Acts, any such appointment may be made for such term, at such remuneration and on such other conditions as the directors think fit.
- 26.2 For the purposes of section 175 of the 2006 Act, 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. Authorisation of a matter shall be effective only if:-
- (a) the matter in question shall have been proposed for consideration at a meeting of the directors, in accordance with the Board's normal procedures or in such other manner as the Directors may determine;
  - (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"); and
  - (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.
- 26.3 Any authorisation of a matter under Article 26.2 shall:-
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
  - (b) 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 terminated by the directors at any time. A director shall comply with any obligations imposed on him by the directors pursuant to any such authorisation.

- 26.4 A director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under Article 26.2 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.
- 26.5 Subject to compliance with Article 26.6, a director, notwithstanding his office, may have an interest of the following kind:-
- (a) where a director (or a person connected with him) is a director or other officer of, or employed by, or otherwise interested (including by the holding of shares) in any Relevant Company;
  - (b) where a director (or a person connected with him) is a party to, or otherwise interested in, any contract, transaction or arrangement with a Relevant Company, or in which the Company is otherwise interested;
  - (c) where the director (or a person connected with him) acts (or any firm of which he is a partner, employee or member acts) in a professional capacity for any Relevant Company (other than as auditor) whether or not he or it is remunerated therefore;
  - (d) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
  - (e) an interest, or a transaction or arrangement giving rise to an interest, of which the director is not aware;
  - (f) any matter authorised under Article 26.2; or
  - (g) any other interest authorised by ordinary resolution.

No authorisation under Article 26.2 shall be necessary in respect of any such interest.

- 26.6 The director shall declare the nature and extent of any interest permitted under paragraph 26.5, and not falling within paragraph 26.7, at a meeting of the directors or in the manner set out in section 184 or 185 of the 2006 Act.

- 26.7 No declaration of an interest shall be required by a director in relation to an interest:-
- (a) falling within paragraph (d) or (e) or (f) of paragraph 26.5 of this Article;
  - (b) if, or to the extent that, the other directors are already aware of such interest (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware); or
  - (c) if, or to the extent that, it concerns the terms of his service contract (as defined in section 227 of the 2006 Act) that have been or are to be considered by a meeting of the directors, or by a committee of directors appointed for the purpose under these Articles.

- 26.8 A director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any Relevant Company or for such remuneration, each as referred to in paragraph 26.5 and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.
- 26.9 For the purposes of this Article, "Relevant Company" shall mean:-
- (a) the Company;
  - (b) a subsidiary undertaking of the Company;
  - (c) any holding company of the Company or a subsidiary undertaking of any such holding company;
  - (d) any body corporate promoted by the Company; or
  - (e) any body corporate in which the Company is otherwise interested.
- 26.10 Subject to paragraph 26.11, if a director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:-
- (a) to disclose such information to the Company or to the directors, or to any director, officer or employee of the Company; or
  - (b) otherwise use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director.
- 26.11 Where such duty of confidentiality arises out of a situation in which the director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, paragraph 26.10 shall apply only if the conflict arises out of a matter which has been authorised under Article 26.2 above or falls within Article 26.5 above. This Article is without prejudice to any equitable principle or rule of law which may excuse or release the director from disclosing information, in circumstances where disclosure may otherwise be required under this Article.
- 26.12 For the purposes of Articles 26.2 to 26.14:-
- (a) an interest of a person who is connected with a director shall be treated as an interest of the director; and
  - (b) Section 252 of the 2006 Act shall determine whether a person is connected with a director.
- 26.13 Where a director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the director may, and shall if so requested by the directors take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the directors for the purpose of or in connection with the situation or matter in question, including without limitation:-

- (a) absenting himself from any meetings of the directors at which the relevant situation or matter falls to be considered; and
- (b) not reviewing documents or information made available to the directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

26.14 The Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of Articles 26.2 to 26.15 or Articles 28.11 to 28.15.

## 27. DIRECTORS' GRATUITIES AND PENSIONS

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.

## 28. PROCEEDINGS OF DIRECTORS

28.1 Subject to the provisions of these Articles, the directors may regulate their proceedings as they think fit.

28.2 A director may, and the Secretary at the request of a director shall, call a meeting of the directors. Subject to paragraph 28.3 of this Article, it shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom.

28.3 If a director notifies the Company in writing of an address in the United Kingdom at which notice of meetings of the directors is to be given to him when he is absent from the United Kingdom, he shall, if so absent, be entitled to have notice given to him at that address; but the Company shall not be obliged by virtue of this paragraph to give any director a longer period of notice than he would have been entitled to had he been present in the United Kingdom at that address.

28.4 Questions arising at a meeting shall be decided by a majority of votes. In 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; and an alternate director who is appointed by two or more directors shall be entitled to a separate vote on behalf of each of his appointors in the appointor's absence.

28.5 A meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates in the meeting is able:-

- (a) to hear each of the other participating directors addressing the meeting; and

- (b) if he so wishes, to address each of the other participating directors simultaneously,

whether directly, by conference telephone or by any other form of communication equipment (whether in use when this Article is adopted or developed subsequently) or by a combination of such methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number and designation of directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates at the start of the meeting.

- 28.6 No business shall be transacted at any meeting of the directors unless a quorum is present. The quorum may be fixed by the directors and unless so fixed at any other number shall be two. An alternate director who is not himself a director shall, if his appointor is not present, be counted in the quorum.
- 28.7 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.
- 28.8 The directors may elect from their number, and remove, a chairman and a deputy chairman of the board of directors. The chairman, or in his absence the deputy chairman, shall preside at all meetings of the directors, but if there is no chairman or deputy chairman, or if at the meeting neither the chairman nor the deputy chairman is present within five minutes after the time appointed for the meeting, or if neither of them is willing to act as chairman, the directors present may choose one of their number to be chairman of the meeting.
- 28.9 All acts done by a meeting of the directors, or of a committee of the directors, or by a person acting as a director, shall notwithstanding that it may afterwards be 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 or member of the committee and had been entitled to vote.
- 28.10 A resolution in writing executed by all the directors entitled to receive notice of a meeting of the directors or of a committee of the directors, being not less than the quorum for a meeting of the directors, 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, and may consist of several documents in the like form each executed by one or more directors, but a resolution executed by an alternate director need not also be executed by his appointor and, if it is executed by a director who has appointed an alternate director, it need not also be executed by the alternate director in that capacity.
- 28.11 Save as provided in this Article, and whether or not the interest is one which is authorised pursuant to Article 26.2 or permitted under Article 26.5, a director shall not be entitled to vote on any resolution in respect of any contract, transaction or arrangement, or any other proposal, in which he (or a person connected with him) is interested. Any vote of a director in respect of a matter where he is not entitled to vote shall be disregarded.

28.12 Subject to the provisions of the Companies Acts, a director shall (in the absence of some other interest than is set out below) be entitled to vote, and be counted in the quorum, in respect of any resolution concerning any contract, transaction or arrangement, or any other proposal:-

- (a) in which he has an interest of which he is not aware;
- (b) in which he has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (c) in which he has an interest only by virtue of interests in shares, debentures or other securities of the Company, or by reason of any other interest in or through the Company;
- (d) which involves the giving of any security, guarantee or indemnity to the director or any other person in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or (ii) a debt or other obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (e) concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings (i) in which offer he is or may be entitled to participate as a holder of securities; or (ii) in the underwriting or sub-underwriting of which he is to participate;
- (f) concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer, shareholder, creditor, employee or otherwise, provided that he (together with persons connected with him) is not the holder of, or beneficially interested in, one per cent or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of the relevant body corporate;
- (g) relating to an arrangement for the benefit of the employees or former employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees or former employees to whom such arrangement relates;
- (h) concerning the purchase or maintenance by the Company of insurance for any liability for the benefit of directors or for the benefit of persons who include directors;
- (i) concerning the giving of indemnities in favour of directors;
- (j) concerning the funding of expenditure by any director or directors on (i) defending criminal, civil or regulatory proceedings or actions against him or them, (ii) in connection with an application to the court for relief, or (iii) defending him or them in any regulatory investigations;
- (k) concerning the doing of anything to enable any director or directors to avoid incurring expenditure as described in paragraph (j); and

- (l) in respect of which his interest, or the interest of directors generally, has been authorised by ordinary resolution of the Company.

28.13 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices or employments with the Company (or any body corporate in which the Company is interested), the proposals may be divided and considered in relation to each director separately. In such case, each of the directors concerned (if not debarred from voting) shall be entitled to vote, and be counted in the quorum, in respect of each resolution except that concerning his own appointment or the fixing or variation of the terms thereof.

28.14 If a question arises at any time as to whether any interest of a director prevents him from voting, or being counted in the quorum, under this Article, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive, except in a case where the nature or extent of the interest of such director has not been fairly disclosed. If any such question shall arise in respect of the chairman of the meeting, the question shall be decided by resolution of the directors and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chairman of the meeting (so far as it is known to him) has not been fairly disclosed to the directors.

28.15 Articles 26.12 to 26.14 shall apply in relation to Articles 28.11 to 28.15.

28.16 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.

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

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

## 29. MINUTES

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 the directors, including the names of the directors present at each such meeting.

## 30. SECRETARY

Subject to the provisions of the Companies Acts, the Secretary shall be appointed by the directors for such term, at such remuneration and on such other conditions as they think fit; and any Secretary so appointed may be removed by them.

31. THE SEAL

31.1 The Seal shall be used only by the authority of a resolution of the directors or of a committee of the directors. The directors may determine whether any instrument to which the Seal is affixed, shall be signed and, if it is to be signed, who shall sign it. Unless otherwise determined by the directors:-

- (a) share certificates and, subject to the provisions of any instrument constituting the same, certificates issued under the Seal in respect of any debentures or other securities, need not be signed and any signature may be applied to any such certificate by any mechanical or other means or may be printed on it; and
- (b) every other instrument to which the Seal is affixed shall be signed by one director and by the Secretary or another director.

31.2 Subject to the provisions of the Companies Acts, the Company may have an official seal for use in any place abroad.

31.3 Any instrument signed by:

- (a) one director and the Secretary; or
- (b) by two directors; or
- (c) by a director in the presence of a witness who attests the signature,

and expressed to be executed by the Company shall have the same effect as if executed under the Seal, provided that no instrument which makes it clear on its face that it is intended to have effect as a deed shall be so signed without the authority of the directors or of a committee authorised by the directors in that behalf.

32. DIVIDENDS

32.1 Subject to the provisions of the Companies Acts, 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.

32.2 Subject to the provisions of the Companies Acts, 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. If 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.

32.3 Subject to the provisions of the Companies Acts and except as otherwise provided by these Articles or 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. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case (and except as aforesaid), 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. For the purpose of this Article, an amount paid up on a share in advance of a call shall be treated, in relation to any dividend declared after the payment but before the call, as not paid up on the share.

- 32.4 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 as they think fit and in particular (but without limitation) may issue fractional certificates or other fractional entitlements (or ignore fractions) 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.
- 32.5 Any dividend or other money payable in respect of a share may be paid by cheque or warrant 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 or warrant shall be made payable to the order of or to 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 or warrant shall be a good discharge to the Company. Any such dividend or other money may also be paid by any other method (including direct debit or credit and bank transfer or, in respect of shares in uncertificated form, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Company may from time to time consider sufficient by means of a relevant system) which the directors consider appropriate. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other money payable in respect of the share.
- 32.6 The Company may cease to send any cheque or warrant (or to use any other method of payment) for any dividend payable in respect of a share if:-
- (a) in respect of at least two consecutive dividends payable on that share the cheque or warrant has been returned undelivered or remains uncashed (or that other method of payment has failed); or
  - (b) following one such occasion, reasonable enquiries have failed to establish any new address of the holder,
- but, subject to the provisions of these Articles, may recommence sending cheques or warrants (or using another method of payment) for dividends payable on that share if the person or persons entitled so request.
- 32.7 No dividend or other money payable in respect of a share shall bear interest against the Company, unless otherwise provided by the rights attached to the share.

- 32.8 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.
- 32.9 The directors may, with the authority of an ordinary resolution of the Company, offer any holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the directors) of any dividend specified by the ordinary resolution. The following provisions shall apply:-
- (a) the said resolution may specify a particular dividend (whether or not declared), or may specify all or any dividends declared or payable within a specified period, but such period may not end later than the beginning of the fifth Annual General Meeting next following the date of the meeting at which the ordinary resolution is passed;
  - (b) the entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) that such holder would have received by way of dividend. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares established from such source as the directors consider appropriate for the five business days immediately preceding or following the announcement of the cash dividend to which the scrip dividend relates as the directors may decide or calculated in such manner as may be determined by or in accordance with the relevant ordinary resolution. A certificate or report by the auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount;
  - (c) no fraction of a share shall be allotted and the directors may deal with any fractions which arise as they think fit;
  - (d) the directors shall, after determining the basis of allotment, notify the holders of ordinary shares of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which, elections must be lodged in order to be effective;
  - (e) the directors may exclude from any offer any holders of ordinary shares where the directors believe that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them;
  - (f) the dividend (or that part of the dividend in respect of which a right of election has been given) shall not be payable on ordinary shares in respect of which an election has been duly made ("the elected ordinary shares") and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid. For such purpose the directors shall capitalise out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividend in cash, as the directors may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the

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

- (g) the directors shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined;
- (h) the additional ordinary shares when allotted shall rank pari passu in all respects with the fully paid ordinary shares then in issue except that they will not be entitled to participation in the dividend in lieu of which they were allotted;
- (i) the directors may do all acts and things which they consider necessary or expedient to give effect to any such capitalisation, and may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for such capitalisation and incidental matters and any agreement so made shall be binding on all concerned;
- (j) the directors may terminate, suspend or amend any offer of the right to elect to receive ordinary shares in lieu of any cash dividend at any time and generally may implement any scrip dividend scheme on such terms and conditions as the directors may from time to time determine and take such other action as the directors may deem necessary or desirable from time to time in respect of any such scheme; and
- (k) the directors may establish or vary from time to time a procedure for election mandates in respect of future rights of election and may determine that every duly effected election in respect of any ordinary shares shall be binding on every successor in title to the holder thereof until the election mandate is revoked following that procedure.

### 33. RESERVES

The directors may, before recommending any dividend (whether preferential or otherwise), carry to reserve out of the profits of the Company such sums as it thinks fit. All sums standing to reserve may be applied from time to time, at the discretion of the directors, for any purpose to which the profits of the Company may properly be applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the directors think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been dividend as it thinks fit. The directors may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute.

### 34. CAPITALISATION OF PROFITS

34.1 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 any reserve or fund of the Company (including any share premium account or capital redemption reserve);

- (b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would (or in the case of treasury shares, which would if such shares were not held as treasury shares) entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend 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 Article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall so long as such shares remain partly paid rank for dividend only to the extent that the latter shares rank for dividend;
- (d) make such provision by the issue of fractional certificates or other fractional entitlements (or by ignoring fractions) or by payment in cash or otherwise as they determine in the case of share or debentures becoming distributable in fractions (including provision whereby the benefit of fractional entitlements accrue to the Company rather than to the members concerned);
- (e) 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 further shares to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members; and
- (f) generally do all acts and things required to give effect to such resolution as aforesaid.

34.2 Where, pursuant to an employees' share scheme (within the meaning of the Companies Acts) the Company has granted options to subscribe for shares on terms which provide (inter alia) for adjustments to the subscription price payable on the exercise of such options or to the number of shares to be allotted upon such exercise in the event of any increase or reduction in or other reorganisation of the Company's issued share capital and an otherwise appropriate adjustment would result in the subscription price for any share being less than its nominal value, then, subject to the provisions of the Companies Acts, the directors may, on the exercise of any of the options concerned and payment of the subscription price which would have applied had such adjustment been made, capitalise any such profits or other sum as is mentioned in paragraph 34.1(a) above to the extent necessary to pay up the unpaid balance of the nominal value of the shares which fall to be allotted on the exercise of such options and apply such amount in paying up such balance and allot shares fully paid accordingly. The provisions of paragraph 34.1(a) to (f) above shall apply mutatis mutandis to this Article (but as if the authority of an ordinary resolution of the Company were not required).

35. RECORD DATES

Notwithstanding any other provision of these Articles, but without prejudice to the rights attached to any shares, the Company or the directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made. Where such a record date is fixed, references in these Articles to a holder of shares or member to whom a dividend is to be paid or a distribution, allotment or issue is to be made shall be construed accordingly.

36. ACCOUNTS

36.1 Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Companies Acts shall be kept at the Office, or at such other place as the directors think fit, and shall always be open to inspection by the officers of the Company. Subject to this, no member of the Company or other person shall have any right of inspecting any accounting record or other document of the Company, unless he is authorised to do so by statute, by order of the court, by the directors or by ordinary resolution of the Company.

36.2 Subject as provided in paragraph 36.3, a copy of the Company's annual accounts and report which are to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than 21 clear days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of General Meetings from the Company under the provisions of the Companies Acts or of these Articles.

36.3 Paragraph 36.2 shall not require a copy of these documents to be sent to any member to whom a summary financial statement is sent in accordance with the Companies Acts nor to more than one of joint holders nor to any person of whose postal address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

36.4 Paragraphs 36.2 and 36.3 shall apply without prejudice to Article 36.2.

37. NOTICES

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

37.2 Any notice, document or information may (without prejudice to Articles 37.11 and 37.12) be given, sent or supplied by the Company or any member either:-

(a) personally; or

(b) by sending it by post in a prepaid envelope addressed to the member at his registered address or postal address given pursuant to Article 37.5, or by leaving it at that address; or

- (c) by sending it in electronic form to a person who has agreed (generally or specifically) that the notice, document or information may be sent or supplied in that form (and has not revoked that agreement); or
- (d) subject to the provisions of the Companies Acts, by making it available on a website, PROVIDED THAT the requirements in Article 37.3 are satisfied.

37.3 The requirements referred to in Article 37.2(d) are that:-

- (a) the member has agreed (generally or specifically) that the notice, document or information may be sent or supplied to him by being made available on a website (and has not revoked that agreement), or the member has been asked by the Company to agree that the Company may send or supply notices, documents and information generally, or the notice, document or information in question, to him by making it available on a website and the Company has not received a response within the period of 28 days beginning on the date on which the Company's request was sent and the member is therefore taken to have so agreed (and has not revoked that agreement);
- (b) the member is sent a notification of the presence of the notice, document or information on a website, the address of that website, the place on that website where it may be accessed, and how it may be accessed ("Notification of Availability");
- (c) in the case of a notice of meeting, the Notification of Availability states that it concerns a notice of a company meeting, specifies the place, time and date of the meeting, and states whether it will be an Annual General Meeting; and
- (d) the notice, document or information continues to be published on that website, in the case of a notice of meeting, throughout the period beginning with the date of the Notification of Availability and ending with the conclusion of the meeting and in all other cases throughout the period specified by any applicable provision of the Companies Acts, or, if no such period is specified, throughout the period of 28 days beginning with the date on which the Notification of Availability is sent to the member, SAVE that if the notice, document or information is made available for part only of that period then failure to make it available throughout that period shall be disregarded where such failure is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

37.4 In the case of joint holders of a share:-

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

the provisions of this paragraph 37.4 shall have effect in place of the provisions in the 2006 Act regarding joint holders of shares.

- 37.5 Subject to the Companies Acts, a member whose registered address is not within the United Kingdom shall not be entitled to receive any notice, document or information from the Company unless he gives to the Company an address (not being an electronic address) within the United Kingdom at which notices, documents or information may be given to him.
- 37.6 For the avoidance of doubt, the provisions of Articles 37.1 to 37.7 are subject to Article 15.5.
- 37.7 The Company may at any time and at its sole discretion choose to give, send or supply notices, documents and information only in hard copy form to some or all members.
- 37.8 A member present either in person or by proxy, or in the case of a corporate member by a duly authorised representative, at any meeting of the Company or of the holders of any class of shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 37.9 any notice to be given to a member may be given by reference to the Register as it stands at any time within the period of 21 days before the notice is given; and no change in the Register after that time shall invalidate the giving of the notice.
- 37.10 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the Register, has been given to the person from who he derives his title; but this paragraph does not apply to a notice given under section 793 of the 2006 Act.
- 37.11 Subject to the Companies Acts, where, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a General Meeting by notice, notice of the meeting shall be sufficiently given if given by advertisement in two leading national daily newspapers published in the United Kingdom. The Company shall give, send or supply a copy of the notice to members in the same manner as it gives, sends or supplies notices under these Articles if at least seven clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
- 37.12 Subject to the Companies Acts, any notice, document or information to be given, sent or supplied by the Company to the members or any of them, not being a notice to which Article 37.11 applies, shall be sufficiently given, sent or supplied if given by advertisement in at least one leading national daily newspaper published in the United Kingdom.
- 37.13 Any notice, document or information given, sent or supplied by the Company to the members or any of them:-
- (a) by post, shall be deemed to have been received 24 hours after the time at which the envelope containing the notice was posted unless it was sent by second class post or there is only one class of post in which case it shall be deemed to have been received 48 hours after it was posted. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that the notice, document or information was sent;
  - (b) by advertisement, shall be deemed to have been received on the day on which the advertisement appears;

- (c) by electronic means, shall be deemed to have been received 24 hours after it was sent. Proof that a notice, document or information in electronic form was sent in accordance with the Institute of Chartered Secretaries and Administrators' Guidance (in issue at the time the relevant notice, document or information was sent) shall be conclusive evidence that the notice, document or information was sent; or
  - (d) by making it available on a website, shall be deemed to have been received on the date on which Notification of Availability on the website is deemed to have been received in accordance with this Article or, if later, the date on which it is first made available on the website.
- 37.14 Any notice, document or information may be given by the Company to the person entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it in any manner authorised by these Articles for the giving of notice to a member addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or by any like description, at the address, if any, within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy has not occurred.
- 37.15 If on three consecutive occasions notices, documents or information sent or supplied to a member have been returned undelivered, the member shall not be entitled to receive any subsequent notice, document or information until he has supplied to the Company (or its agent) a new registered address, or a postal address within the United Kingdom, or (without prejudice to Article 37.5) shall have informed the Company, in such manner as may be specified by the Company, of an electronic address. For the purposes of this Article, references to notices, documents or information include references to a cheque or other instrument of payment; but nothing in this Article shall entitle the Company to cease sending any cheque or other instrument of payment for any dividend, unless it is otherwise so entitled under these Articles.
- 37.16 Where a document is required under these Articles to be signed by a member or any other person, if the document is in electronic form, then in order to be valid the document must either:-
  - (a) incorporate the electronic signature, or personal identification details (which may be details previously allocated by the Company), of that member or other person, in such form by the directors may approve; or
  - (b) be accompanied by such other evidence as the directors may require in order to be satisfied that the document is genuine.
- 37.17 The Company may designate mechanisms for validating any such document and a document not validated by the use of any such mechanisms shall be deemed as having not been received by the Company. In the case of any document or information relating to a meeting, an instrument of proxy or invitation to appoint a proxy, any validation requirements shall be specified in the relevant notice of meeting in accordance with Articles 15.2 to 15.4 and 17.9.

38. DESTRUCTION OF DOCUMENTS

38.1 The Company may destroy:-

- (a) any instrument of transfer, after six years from the date on which it is registered;
- (b) any dividend mandate or notification of change of name or address, after two years from the date on which it is recorded;
- (c) any share certificate, after one year from the date on which it is cancelled; and
- (d) any other document on the basis of which an entry in the Register is made, after six years from the date on which it is made.

38.2 Any document referred to in Article 38.1 may be destroyed earlier than the relevant date authorised by that, PROVIDED THAT a permanent record of the document is made which is not destroyed before that date.

38.3 It shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of a document destroyed in accordance with this Article was duly and properly made, that every instrument of transfer so destroyed was duly registered, that every share certificate so destroyed was duly cancelled, and that every other document so destroyed was valid and effective in accordance with the particulars in the records of the Company: PROVIDED THAT:-

- (a) this Article shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant;
- (b) nothing in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document otherwise than in accordance with this Article which would not attach to the Company in the absence of this Article; and
- (c) references in this Articles to the destruction of any document include references to the disposal of it in any manner.

39. WINDING UP

If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by law, subject to the provisions of the Companies Acts, 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 may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is a liability.

40. INDEMNITY, INSURANCE AND DEFENCE EXPENDITURE

40.1 Subject to the provisions of, and so far as may be permitted by and consistent with, the Companies Acts and the AIM Rules, the Company may indemnify:-

- (a) any person who is or was a director of the Company or any Associated Company directly or indirectly, against any loss or liability whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company other than any liability to the Company or any Associated Company and any liability of the kind referred to in section 234(3) of the 2006 Act; and/or
- (b) any person who is or was a director of the Company or any Associated Company if it is the trustee of an occupation pension scheme (within the meaning of section 235(6) of the 2006 Act),

where a person is indemnified against any liability in accordance with this Article 40.1, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto.

40.2 Without prejudice to Article 40.1, the Company may purchase and maintain insurance for or on behalf of:-

- (a) any person who is or was a director, of any Relevant Company; or
- (b) any person who is or was at any time a trustee of any pension fund or employees' share scheme in which employees of any Relevant Company are interested,

including (without prejudice to the generality of the foregoing) insurance against any liability incurred by or attaching to him in respect of any act or omission in the actual or purported execution and/or discharge of his duties and/or in the exercise or purported exercise of his powers and/or otherwise in relation to his duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme (and all costs, charges, losses, expenses and liabilities incurred by him in relation thereto).

40.3 For the purpose of Article 40.2, the expression "Relevant Company" shall mean:-

- (a) the Company;
- (b) any holding company of the Company;
- (c) any other body, whether or not incorporated, in which the Company or such holding company of any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company; or
- (d) any subsidiary undertaking of the Company or of such other body.

40.4 Subject to the provisions of and so far as may be permitted by the Companies Acts and the AIM Rules, the Company may:-

- (a) provide any person who is or was a director of the Company or any Associated Company with funds to meet expenditure incurred or to be incurred by him;
  - (i) in defending any criminal or civil proceedings in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company; or
  - (ii) in connection with any application for relief under the provisions mentioned in section 205(5) of the 2006 Act,
- (b) do anything to enable any such person to avoid incurring such expenditure, where the terms set out in section 205(2) of the 2006 Act shall apply to any provision of funds or other things done under this Article.

40.5 Subject to the provisions of and so far as may be permitted by the Companies Acts and the AIM Rules, the Company may:-

- (a) provide any person who is or was a director of the Company or any Associated Company with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company; and
- (b) do anything to enable any such person to avoid incurring such expenditure.