

**ARTICLES OF ASSOCIATION**  
**OF**  
**HARGREAVE HALE AIM VCT PLC**  
**(the "Company")**

**(Adopted on 11 October 2023)**

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INCORPORATED UNDER THE COMPANIES ACT 1985 AND 1989

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

HARGREAVE HALE AIM VCT PLC

1. DEFINITIONS

1.1. In these Articles unless there be something in the subject or context inconsistent therewith:

"**the Acts**" means the Companies Acts as defined in section 2 of CA 2006;

"**Annual General Meeting**" means a meeting of shareholders as defined under section 336 of CA 2006;

"**Article**" means one of these Articles;

"**these Articles**" means these Articles of Association including any amendments duly made from time to time by the Company;

"**the Auditors**" means the auditors for the time being of the Company;

"**the Board**" means the board of Directors of the Company;

"**business day**" means any day on which banks are generally open for business in London, other than a Saturday;

"**Calculation Date**" means the earlier of:

- (i) close of business on the day on which the Investment Manager shall have given notice to the Board, to the Board's reasonable satisfaction, that at least 70% of the net proceeds of the C Share Offer (or such higher level as the Board and Investment Manager agree) shall have been invested in Qualifying Companies;
- (ii) 30 September 2017; or
- (iii) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent; or
- (iv) 30 September 2012 if, as at 5 April 2012, the proceeds of subscriptions under the C Share Offer are less than £2,000,000.

"**a Call**" means the Companies Act 2006 (as amended from time to time);

"**the Company**" means a call upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of such shares or by way of premium);

"**the Company**" means Hargreave Hale AIM 1 VCT Pic;

"**Conversion Date**" means a date following after the Calculation Date, being close of business on such day as may be selected by the Directors and falling not more than 120 days after the Calculation Date or (in the case of the Directors having resolved that Force Majeure Circumstances have arisen or may arise or are in contemplation) such earlier date as the Directors may resolve;

"**Conversion Ratio**" is the ratio of the net asset value per C Share to the net asset value per Ordinary Share, which is calculated as:

$$\frac{A}{B} \text{ where } A = \frac{C-D}{E} \text{ and } B = \frac{(F-C)-(G-D)}{H}$$

and where

C is the aggregate of:

- (i) the value of the investments of the Company attributable to the C Shares (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) which are listed or dealt in on a stock exchange calculated by reference to the middle-market quotations at close of business of, or if appropriate, the daily average of the prices marked for those investments on the Calculation Date on the principal stock exchange or market where the relevant investment is listed or dealt in or traded as derived from the relevant exchange's or market's recognised method of publication of prices for such investments where such published prices are available;
- (ii) the value of all other investments of the Company attributable to the C Shares (other than investments included in (i) above) calculated by reference to the Directors belief as to a fair current value for those investments after taking into account any other price publication services reasonably available to the Directors; and
- (iii) the amount which, in the Directors' opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company attributable to the C Shares (excluding the investments valued under (i) and (ii) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature);

D is the amount (to the extent not otherwise deducted from the assets attributable to the C Shares) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares on the Calculation Date;

E is the number of C Shares in issue on the Calculation Date;

F is the aggregate of:

- (i) the value of all the investments of the Company (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) which are listed or dealt in on a stock exchange calculated by reference to the middle-market quotations at close of business of, or, if appropriate, the daily average of the prices marked for those investments on the Calculation Date on the principal stock exchange or market where the relevant investment is listed or dealt in as derived from the relevant exchange's or market's recognised method of publication of prices for such investments where such published prices are available; and
- (ii) the value of all investments of the Company (other than investments included in (i) above) calculated by reference to the Directors' belief as to a fair current value for those investments after taking into account any other price publication services reasonably available to the Directors; and
- (iii) the amount which, in the Directors' opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company (excluding the investments valued under (i) and (ii) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature);

G is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company on the Calculation Date;

H is the number of Ordinary Shares in issue on the Calculation Date;

provided that the Directors shall make such adjustments to the value or amount of A and B as the Auditors shall report to be appropriate having regard among other things, to the assets of the Company immediately prior to the Issue Date and/or to the reasons for the issue of C Shares referred to in the Prospectus;

**"C Shares"** means the convertible shares of 1 p each (unless the context otherwise requires) in the capital of the Company carrying the rights set out in Articles 42 to 42.11 (inclusive) below;

**"C Share Offer"** means the offer for subscription of C Shares dated on or around 29 February 2012;

**"Deferred Shares"** means deferred shares of 1p each in the capital of the Company arising on Conversion;

**"CREST"** means a relevant system of which Euroclear UK & Ireland Limited (formerly CrestCo Limited) is the Operator (as defined in the Regulations);

**"the Directors"** means the Board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present;

"**dividend**" includes a distribution and bonus if not inconsistent with the subject or context;

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

"**electronic copy**", "**electronic form**" and "**electronic**" have the meanings given in section 1168 of CA 2006;

"**Existing Ordinary Shares**" means the Ordinary means the Ordinary Shares in issue immediately prior to Conversion;

"**Force Majeure Circumstances**" means (i) any political and/ or economic circumstances and/ or actual or anticipated changes in fiscal or other in the reasonable opinion of the legislation which Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging or seeking to challenge the power of the Company and/or its Directors to issue the C Shares with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are proposed to be issued; or (iii) the convening of any general meeting of the Company at which a resolution is to be proposed to wind-up the Company, whichever shall happen earliest;

"**general meeting**" means a General Meeting and/or an Annual General Meeting, as the context permits;

"**General Meeting**" means any meeting of the Company other than an Annual General Meeting;

"**Group**" means the Company, any holding company of the Company, any subsidiary or subsidiary undertaking of the Company or such holding company as such terms are defined in the Acts;

"**holder**" (in relation to shares) means the Member whose name is entered in the Register as the holder of the shares;

"**ICSA Guidelines**" means those statements of Recommended Best Practice in the memorandum headed "Electronic Communications with Shareholders" published by the Institute of Chartered Secretaries and Administrators in February 2007 and any modification, extension or replacement for the time being in force;

"**Investment Manager**" means Hargreave Hale or such other investment manager as the Company may from time to time appoint;

"**Issue Date**" means the day on which the Company first receives Net Proceeds of the C Share Offer;

"**London Stock Exchange**" means London Stock Exchange pic;

"**Member**" means a member of the Company

"**month**" means calendar month;

**"New Ordinary Shares"** Ordinary means the new Ordinary Shares, in registered form, arising on Conversion;

**"the Office"** means the registered office for the time being of the Company;

**"Ordinary Resolution"** "Ordinary Resolution" has the meaning given in section 282 of CA 2006;

**"Ordinary Shareholders"** means holders of the Ordinary Shares;

**"Ordinary Shares"** means ordinary shares of 1p each of the Company;

**"paid-up"** means paid up or credited as paid up in respect of the nominal amount of a share;

**"Prospectus"** means the Prospectus for the C Share Offer issued by the Company on or about 29 February 2012;

**"Qualifying Companies"** means a company satisfying the requirements of Chapter 4 of Part 6 of Income Taxes Act 2007 (as amended from time to time);

**"the Register"** means the register of Members to be kept pursuant to

**"the Regulations"** section 113 of CA 2006;

**"the Seal"** means the Uncertified Securities Regulations 2001 (as amended from time to time);

**"the Secretary"** means the common seal of the Company or any official seal that the Company may be permitted to have under the Statutes;

**"the Secretary"** means the Secretary for the time being of the Company;

**"share"** includes stock;

**"Shareholder"** means a shareholder of the Company and includes stockholder;

**"Special Resolution"** has the meaning given in section 283 of CA 2006;

**"Stock Exchange Nominee"** has the meaning ascribed thereto by Section 778 of the CA 2006 and includes a recognised clearing house or nominee of a recognised clearing house or a recognised investment exchange as defined by section 285(1) of the Financial Services and Markets Act 2000;

**"the Statutes"** means the Act and every other statute from time to time in force in the United Kingdom concerning companies insofar as the same applies to the Company or any re-enactment thereof for the time being in force;

**"Transfer Office"** means the place where the Register is situated for the time being; and



**"in writing"** and **"written"** includes printing, typewriting, lithography, photograph, and other modes of representing and reproducing words in a legible form.

1.2. In these Articles:

1.2.1. Words importing the singular number only include the plural number and vice versa.

1.2.2. Words importing the masculine gender only include the feminine gender.

1.2.3. Words importing persons include partnerships, firms, trusts and corporations.

1.2.4. Words and expressions defined in the Statutes shall, unless the context otherwise requires, have the same meanings in these Articles.

1.2.5. Where for any purpose an Ordinary Resolution of the Company is required, a Special Resolution shall also be effective.

1.2.6. The headings are for convenience only and shall not affect the construction of these Articles.

1.2.7. All the provisions of these Articles which apply to paid up shares shall apply to stock and to securities as defined by the Regulations and the words "share" and "shareholder" shall be construed accordingly.

1.2.8. Reference to writing including references 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.

1.2.9. Where pursuant to any provision of these Articles any notice, appointment of proxy or other document contained in an electronic communication is required to be signed or executed by or on behalf of any person, that signature or execution shall include the affixation by or on behalf of that person of an electronic signature (as defined in the Electronic Communications Act 2000), or personal identification details in such form as the Directors may approve.

1.2.10. A reference to a person being "connected" with another shall have the meaning attributed to it by section 252 of CA 2006.

1.3. No regulations set out in any schedule to any statute or in any regulations concerning companies shall apply as regulations or articles of the Company, and the following shall be the Articles of Association of the Company.

## **2. SHARES**

2.1. Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto,

all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper, provided that no shares shall be issued at a discount.

- 2.2. The general authority conferred by this Article 2 shall extend to all shares of the Company from time to time unissued during the currency of such authority. The said general authority shall expire on the fifth anniversary of the adoption of these Articles unless varied or revoked or renewed by the Company in general meeting
- 2.3. The Directors shall be entitled under the general authority conferred by this Article 2 to make at any time before the expiry of such authority any offer or agreement which will or may require shares to be allotted after the expiry of such authority.
- 2.4. The Directors may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of Calls to be paid and the time of payments of such Calls.
- 2.5. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share.
- 2.6. The joint holder of a share shall be severally as well as jointly liable for payment of all instalments and Calls in respect of such share, and any one of such persons may give effectual receipts for any return of capital or receipts for any dividends or other monies. The Company shall not be bound to register more than four persons as joint holders of any shares.
- 2.7. In addition to all other powers of paying commissions, the Company may exercise the powers conferred by the Statutes of paying commissions to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company. Subject to the provisions of the Statutes, such commission may be satisfied by payment of cash or (with the sanction of an Ordinary Resolution of the Company) the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
- 2.8. Save as herein otherwise provided or as by the Statutes otherwise required the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of competent jurisdiction or by law required) be bound to recognise any equitable, contingent, future, partial or other claim to or interest in any share on the part of any other person.

### **3. CERTIFICATES**

- 3.1. The certificates of title to shares shall be issued under the Seal or under the Official Seal kept by the Company by virtue of section 2 of the Stock Exchange (Completion of Bargains) Act 1976.
- 3.2. Every Member (except a Stock Exchange Nominee in respect of whom the Company is not required by law to complete and have ready a certificate) shall unless the conditions of issue of the shares, debentures or debenture stock otherwise provide be entitled without payment to one certificate for all the shares registered in his name, or in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares so registered, and where a Member transfers part of the shares of any class registered in his name he shall be entitled without payment to one certificate for the balance of shares retained by him and registered in his name. Every such certificate of shares shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up thereon. If any Member shall require additional certificates he shall pay for each additional certificate such reasonable out of pocket expenses as the Directors shall determine. A Member shall be entitled to a certificate in the case of issue within two months (or such longer period as the terms of issue shall provide) after allotment or in the case of a transfer within two months after lodgement of the transfer.
- 3.3. If any certificate is worn out or defaced then upon delivery thereof to the Directors they may order the same to be cancelled, and may issue free of charge a new certificate in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Directors and on such indemnity with or without security as the Directors deem adequate being given, a new certificate in lieu thereof shall be given free of charge to the party entitled to such lost or destroyed certificate.
- 3.4. Every certificate issued under Article 3.3 shall be issued without payment, but there shall be paid to the Company a sum equal to any exceptional out-of- pocket expenses incurred by the Company.
- 3.5. The Company shall not be bound to issue more than one certificate in respect of shares registered in the names of two or more persons and such certificate shall be delivered to the person first named on the Register in respect of such shares and delivery of such certificate as aforesaid shall be sufficient delivery to all.

### **4. CALLS ON SHARES**

- 4.1. The Directors may, subject to the terms of allotment thereof, from time to time make such Calls as they think fit provided that fourteen days notice at least be given of each Call and each Member shall pay the amount of each Call so made on him to the person and at the time and place specified by the Directors in the said notice.
- 4.2. A Call may be made payable by instalments and may, at any time before receipt by the Company of a sum due thereunder, be either revoked or postponed in whole or in part.

- 4.3. A Call shall be deemed to have been made at the time when the resolution of the Directors authorising such Call was passed.
- 4.4. If by the terms of any prospectus or by the conditions of allotment any amount is payable in respect of any shares by instalments, every such instalment shall be payable as if it were a Call duly made by the Directors of which due notice had been given.
- 4.5. If the sum payable in respect of any Call or instalment is not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the Call has been made, or the instalment shall be due, shall pay interest for the same at such rate as may be fixed by the terms of allotment of the share or, if no rate is fixed, at the appropriate rate (as defined by the Act) from the time appointed for payment thereof until the actual payment thereof, and shall not receive any dividend in respect of the but the Directors may, if they shall think fit, waive the payment of such interest or any part thereof. No Member shall be entitled to receive any dividend or to be present and vote at any general meeting either personally or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member unless and until he shall have paid all Calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).
- 4.6. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called up and upon the money paid in advance, or so much thereof as from time to time exceeds the amount of the Calls then made upon the shares in respect of which such advance shall have been made, the Company may pay interest at such rate (not exceeding, without the sanction of the Company given by Ordinary Resolution, the appropriate rate as aforesaid) as the Member paying such sum in advance and the Directors agree upon.
- 4.7. Any sum which by or pursuant to the terms of allotment of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a Call duly made and payable on the date on which by or pursuant to the terms of allotment the same becomes payable and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a Call duly made and notified. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make Calls on Members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of monies becoming due in respect of Calls so made and to give valid receipts for such monies, and the power to delegate shall subsist during the continuance of the mortgage or security, notwithstanding any change of Directors and shall be assignable if expressed so to be.

## **5. FORFEITURE AND LIEN**

- 5.1. If any Member fails to pay any Call or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter during such time as the Call

or instalment or any part thereof remains unpaid, serve a notice on such Member requiring him to pay the same, together with any interest that may have accrued thereon and all expenses incurred by the Company by reason of such non-payment.

- 5.2. The notice shall name a day (not being less than seven days from the date of the notice) and a place on and at which such Call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the Call was made or instalment is payable will be liable to be forfeited.
- 5.3. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice shall have been given may, at anytime thereafter, and before payment of all Calls or instalments interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends payable in respect of the forfeited shares and not actually paid before the forfeiture. The Directors may accept the surrender of any share liable to be forfeited hereunder and in such case references in these Articles to forfeiture shall include surrender.
- 5.4. When any share has been forfeited notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share, but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice as aforesaid. Subject to the provisions of the Statutes any share so forfeited shall be deemed to be the property of the Company, no voting rights shall be exercised in respect thereof and the Directors may within three years of such forfeiture sell, re-allot, or otherwise dispose of the same in such manner as they think fit either to the person who was before the forfeiture the holder thereof, or to any other person, and either with or without any past or accruing dividends, and in the case of re-allotment, with or without any money thereon by the former holder being credited as paid thereon. Any share not disposed of in accordance with the foregoing within a period of three years from the date of its forfeiture shall thereupon be cancelled in accordance with the provisions of the Statutes. The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Statutes given or imposed in the case of past members.
- 5.5. The Directors may at any time, before any share so forfeited shall have been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture upon such conditions as they think fit.
- 5.6. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required)

constitute a good title to the share and the re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in connection with the forfeiture, surrender, sale, re-allotment or disposal of the share.

- 5.7. Any Member whose shares have been forfeited shall thereupon cease to be a Member in respect of such shares but shall notwithstanding be liable to pay, and shall forthwith pay to the Company all Calls, instalments, interest, and expenses owing upon or in respect of such shares at the time of forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as may be fixed by the terms of allotment of the shares or, if no rate is so fixed, at the appropriate rate aforesaid, and the Directors may enforce payment thereof if they think fit.
- 5.8. The Company shall have a first and paramount lien upon all shares registered in the name of each Member (whether solely or jointly with other persons) for any amount payable in respect of such shares or other monies owing from time to time to the Company by the holder thereof, whether the period for payment thereof shall have actually arrived or not and such lien shall apply to all dividends from time to time declared or other moneys payable in respect of such shares. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, on such share.
- 5.9. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto, in such manner as they think fit, but no such sale shall be made until the period as aforesaid shall have arrived and until notice in writing stating, and demanding payment of, the sum payable and giving notice of the intention to sell in default of such payment shall have been served on such Member and default shall have been made by him in the payment of such amounts for seven days after such notice.
- 5.10. The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or towards satisfaction of such part of the amount on respect which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the member or the person (if any) entitled by transmission to the shares.
- 5.11. Upon the sale or re-allotment after forfeiture or upon any sale enforcing any lien in purported exercise of the powers hereinbefore given, the Directors may in the case of a sale nominate some person to execute a transfer of the shares sold in the name and on behalf of the registered holder or his executors or administrators and may in any case cause the name of the purchaser or allottee to be entered in the Register in respect of the shares sold or re-allotted, and the purchaser or allottee shall not be bound to see to the regularity of the proceedings or to the application of the purchase or subscription money, and after his name has been entered in the Register in respect of such shares the validity of the sale or forfeiture shall not be impeached by any person and the remedy of any person aggrieved by the sale or forfeiture shall be in damages only and against the Company exclusively.

## 6. TRANSFER OF SHARES

- 6.1. The instrument of transfer of any share in the Company shall be in usual form or in such other form as shall be approved by the Directors, and shall be signed by or on behalf of the transferor (and in the case of a transfer of a partly paid share by the transferee) and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof, and when registered the instrument of transfer shall be retained by the Company.
- 6.2. Title to any share in the Company in issue or to be issued (not including any shares referred to in Regulation 17 of the Regulations), may be transferred by means of a relevant system (as defined in the Regulations) such system to include CREST ("the Crest System"); any provision of these Articles of Association shall accordingly not apply to the extent that it is inconsistent with the holding of any shares in the capital of the Company in uncertificated form, or the requirements of the Crest System and the provisions of the Regulations.
- 6.3. The Directors may, in their absolute discretion and without assigning any further reason therefore, refuse to register any share transfer unless:
- 6.3.1. it is in respect of a fully paid share;
  - 6.3.2. it is in respect of a share on which the Company does not have a lien;
  - 6.3.3. it is in respect of only one class of shares;
  - 6.3.4. it is in favour of not more than four joint holders as transferees; and
  - 6.3.5. the conditions referred to in the next succeeding Article have been satisfied in respect thereof.

If the Directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal and return to him the instrument of transfer.

- 6.4. Every instrument of transfer must be left at the Transfer Office, or at such other place as the Directors may from time to time determine, to be registered, accompanied by the certificate for the shares comprised therein, and such evidence as the Directors may reasonably require to prove the title of the transferor, and the due execution by him of the transfer and thereupon the Directors, subject to the power vested in them by the last preceding Article, shall register the transferee as the holder.
- 6.5. No fee shall be payable for registering any transfer, probate administration, certificates of marriage or death, power of attorney, or other document relating to or affecting the title to any shares or the right to transfer the same.
- 6.6. All instruments of transfer which are registered shall, subject to Article 37.1.3 be retained by the Company but any instrument of transfer which the Directors may refuse to register shall (except in the case of fraud) be returned to the person depositing the same.

## **7. TRANSMISSION OF SHARES**

- 7.1. The executors or administrators of a deceased Member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to shares held by him alone but in the case of shares held by more than one person, the survivor or survivors only shall be recognised by the Company as being entitled to such shares.
- 7.2. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may, upon such evidence being produced as may be required by the Directors, elect in writing either to be registered as a Member (in respect of which registration no fee shall be payable) by giving notice in writing to that effect or, without being so registered, execute a transfer to some other person who shall be registered as a transferee of such share and the execution of such transfer shall signify his election as aforesaid but the Directors shall in either case have the like power of declining or refusing to register such transfer as is provided with respect to an ordinary transfer. The Directors may at any time give notice requiring any such person to elect as aforesaid and if such notice is not complied with within sixty days the Directors may thereafter withhold payment of all dividends and other monies payable in respect of such share until compliance therewith.
- 7.3. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, unless and until he is registered as a Member in respect of the share, be entitled in respect of it to receive notices of or to exercise any rights conferred by membership in relation to meetings of the Company.

## **8. CONSOLIDATION AND SUB-DIVISION OF SHARES**

- 8.1. The Company may by ordinary resolution consolidate its shares, or any of them, into shares of a larger amount.
- 8.2. The Company may by special resolution sub-divide its shares, or any of them, into shares of a smaller amount, and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more such shares shall have some preferred or other advantage as regards dividend, capital, voting or otherwise over or shall have deferred rights or be subject to such restrictions as compared with the other or others as the Company has power to attach to shares upon the allotment thereof.
- 8.3. Subject to any direction by the Company in General Meeting, whenever as the result of any consolidation or sub-division of shares Members of the Company are entitled to any issued shares of the Company in fractions the Directors may deal with such fractions as they shall determine and in particular may sell the shares to which Members are so entitled in fractions for the best prices reasonably obtainable and pay and distribute to or amongst the Members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may nominate some person to execute a transfer of the shares sold on behalf of the Members so entitled to the purchaser thereof and may cause the name of the purchaser to be entered in the Register as the holder



of the shares comprised in any such transfer and he 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 or invalidity in the proceedings in reference to the sale.

## **9. CHANGE OF NAME**

The name of the Company may be changed by resolution of the Board.

## **10. INCREASE OR REDUCTION OF CAPITAL**

- 10.1. The Company may, from time to time, by Ordinary Resolution, increase the capital of the Company by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution may prescribe. Subject to such privileges, priorities, or conditions as are or may be attached thereto, all new shares shall be subject to the same provisions in all respects as if they had been part of the original capital.
- 10.2. Subject to the provisions of the Statutes any new shares in the capital of the Company may be allotted with such preferential right to dividend and such priority in the distribution of assets, or subject to such postponement of dividends or in the distribution of assets, and with or subject to such preferential or limited or qualified right of voting at general meetings as the Company may from time to time by Ordinary Resolution determine, or, if no such determination be made, as the Directors shall determine, but so that the rights attached to any issued shares as a class shall not be varied except with the consent of the holders thereof duly given under the provisions of these Articles. Subject as aforesaid any shares in the capital of the Company may be issued on the terms that they are, or, at the option of the Company, are to be liable to be redeemed on such terms as the Directors shall determine from time to time.
- 10.3. The Company may from time to time by Special Resolution reduce its share capital, any capital redemption reserve fund and any share premium account in any manner authorised by law. The Company may also by Ordinary Resolution cancel any shares not taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal value of the shares so cancelled.
- 10.4. Subject to the provisions of the Statutes, the Company may enter into any contract for the purchase of any of its own shares (including any redeemable shares) and any contract under which it may, subject to any conditions, become entitled or obliged to purchase any such shares. Without prejudice to the generality of the foregoing, the Company may (subject to the provisions of this Article and to any directions which may be given by the Company in general meeting) make a market purchase (within the meaning of Section 701 of the CA 2006) of any of its own shares. Subject to the provisions of the Statutes the Company may agree to the variation of any contract entered into in pursuance of this Article and to release any of its rights or obligations under any such contract.
- 10.5. Every contract entered into in pursuance of this Article shall be authorised by such resolution of the Company as may be required by the Statutes, and in any event whenever the Company's issued share capital includes any class of convertible shares, the Company shall

not purchase any of its own shares without the sanction of an Special Resolution of a separate meeting of the holders of that class. The provisions of Articles 13.1 and 13.2 shall apply to any such separate meeting as they apply to a meeting convened for the purposes mentioned in those articles.

- 10.6. Subject to Article 10.4 the Directors shall have full power to determine the terms of any contract referred to therein, and neither the Company nor the Directors shall be required to select the shares in question rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.
- 10.7. The rights privileges or conditions conferred upon the holders of or attaching to any share or class of shares shall be deemed not to be varied by reason only of anything done by the Company in pursuance of any resolution passed under the powers conferred by this Article.

## **11. GENERAL MEETINGS**

- 11.1. Annual General Meetings shall be held at such time and place as may be determined by the Directors and within a period of six months beginning on the day following the Company's accounting reference date.
- 11.2. All General Meetings of the Company other than Annual General Meetings shall be called General Meetings.
- 11.3. The Directors may, whenever they think fit, convene General Meeting General Meetings shall also be convened on such requisition or in default may be convened by such requisitionists as are provided by the Statutes. Any meeting convened under this Article by requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.
- 11.4. An Annual General Meeting called for the passing of a Special Resolution and/or Ordinary Resolution shall be called by not less than twenty-one days notice in writing, and all other General Meetings of the Company shall be called by not less-than fourteen days notice in writing unless it is proposed to pass a resolution of which special notice is required by the Statutes, in which case 28 days notice is required. The notice shall be exclusive of the day on which it is given and of the day of the meeting and shall specify the place, the day and hour of meeting, and in case of special business the general nature of such business. The notice shall be given to the Members, other than those who, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company, to the Directors and to the Auditors. A notice calling an Annual General Meeting shall specify the meeting as such and the notice convening a meeting to pass a Special Resolution or an Ordinary Resolution as the case may be shall specify the intention to propose the resolution as such. The notice shall also contain a statement of rights of the Member to appoint proxies in accordance with section 325 of CA 2006.

- 11.5. A general meeting shall, notwithstanding that it is called by shorter notice than that specified in the immediately preceding Article, be deemed to have been duly called if it is so agreed by such Members as are prescribed in that behalf by the Statutes.
- 11.6. In every notice calling a meeting of the Company or any class of the Members of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend, speak and vote is entitled to appoint one or more proxies to attend, speak and vote instead of him, and that a proxy need not also be a Member. A general meeting shall, notwithstanding that it is called by shorter notice than that specified in the immediately preceding Article, be deemed to have been duly called if it is so agreed by such Members as are prescribed in that behalf by section 307(5) of CA 2006.
- 11.7. The accidental omission to send a notice to or the non-receipt of any notice by any Member or any Director or the Auditors shall not invalidate the proceedings at any general meeting.
- 11.8. The business of an Annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and reports of the Directors and of the Auditors, and the documents required by law to be annexed to the balance sheet, to elect Directors and officers in the place of those retiring or ceasing to hold office pursuant to Article 14.5 and to fix their remuneration if required, to declare dividends, to appoint the Auditors (when Special Notice of the resolution for such appointment is not required by the Statutes) and to fix, or determine the manner of the fixing of, their remuneration. All other business transacted at an Annual General Meeting and all business transacted at a General Meeting shall be deemed special.
- 11.9. Where by any provision contained in the Statutes special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight days (or such shorter period as the Statutes permit) before the meeting at which it is moved, and the Company shall give to its Members, subject as in these Articles provided, notice of any such resolution as provided by the Statutes.
- 11.10. Subject to the provisions of Article 61 in respect of adjourned meetings, for all purposes the quorum for a general meeting shall not be less than two Members present in person or by proxy (or in the case of a corporation, by its duly authorised representative).
- 11.11. No business shall be transacted at any general meeting unless the quorum requisite shall be present when the meeting proceeds to business, appointment of a Chairman in accordance with the provisions of these Articles shall not be treated as part of the business of the meeting.
- 11.12. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such time and at such place as the Chairman shall appoint. At any such adjourned meeting the Member or Members present in person or by proxy and entitled to vote shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. The Company shall give

not less than seven clear days notice of any meeting adjourned for the want of a quorum and the notice shall state that the Member or Members present as aforesaid shall form a quorum.

- 11.13. The Chairman (if any) of the Board of Directors shall preside as Chairman at every general meeting. If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act, the Directors present shall select one of their number to be Chairman, and failing that, the Members present and entitled to vote shall choose some one of their number to be Chairman.
- 11.14. The Chairman may, with the consent of the meeting (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 11.15. If the place specified in the notice convening a meeting as the place of the meeting (hereinafter called "the Specified Place") is inadequate to accommodate all Members entitled to attend who wish to do so, then provided that the following requirements are satisfied the meeting shall be duly constituted and its proceedings valid. These requirements are that the Chairman of the meeting is satisfied that adequate facilities are available to ensure that any Member who is unable to be accommodated in the Specified Place is nonetheless able to participate in the business for which the meeting has been convened, to hear all persons present who speak thereat (whether personally or by microphones or loudspeakers or otherwise) whether in the Specified Place itself or elsewhere, and to be in like manner heard himself by all other Members present.
- 11.16. If the Specified Place is inadequate to accommodate all Members entitled to attend and who wish to do so then the Chairman may, in his absolute discretion, adjourn the meeting and the Chairman of the Meeting shall have power to specify some other place for holding the meeting, notwithstanding that by reason of such adjournment some Members may be unable to be present at such adjourned meeting. Any such person may nevertheless execute a form of proxy for the adjourned meeting and if he shall do so and shall deliver the same to the Chairman of the meeting or to the secretary of the Company or to the Auditors, such proxy shall be valid notwithstanding that it is given at less notice than would otherwise be required under these Articles.
- 11.17. Whenever a meeting is adjourned for twenty-eight days or more, seven clear days notice in writing at the least specifying the place, the day and hour of the adjourned meeting shall be given to the Members subject as and in manner to the Directors and to the Auditors, but it shall not be necessary to specify in such notice the nature of the business to be Subject to Article 11.12 and save as aforesaid it shall not be necessary to give any notice of an adjournment.
- 11.18. At any general meeting where a resolution is proposed the Directors shall have complete discretion whether or not to put the resolution to the vote of the meeting and, a resolution put to the vote of the meeting shall be decided by a show of hands unless (before, or upon the declaration of the result of the show of hands) a poll be duly demanded, in accordance

with the provisions of and unless a poll be so demanded a declaration by the Chairman that the resolution has been carried, or carried by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

- 11.19. In the case of an equality of votes, the Chairman shall not, either on a show of hands and at a poll, have a casting vote.
- 11.20. A poll may be demanded upon any question by the Chairman or by not less than five Members present in person or by proxy and entitled to vote or by a Member or Members present in person or by proxy representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting or by a Member or Members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- 11.21. A valid instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll, and for the purposes of the immediately preceding Article, a demand by a proxy for a Member or other person entitled to vote shall be deemed to be a demand by that Member or other person.
- 11.22. Subject to the provisions of the next succeeding Article, if a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once, or after an interval or adjournment (but not more than thirty days after the date of the meeting or adjourned meeting at which the poll was demanded), and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of the poll may be withdrawn. No notice need be given of a poll not taken immediately.
- 11.23. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.
- 11.24. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

## **12. VOTING**

- 12.1. Subject to the provisions of Article 40 below, any special terms as to voting upon which any shares may have been issued, or may for the time being be held, every Member present in person or by proxy shall upon a show of hands have one vote and every Member present in person or by proxy shall upon a poll have one vote for every share held by him. If an order is made by any Court of competent jurisdiction on the ground of mental disorder for the detention of or for the appointment of a guardian or receiver or other person to exercise powers with respect to the affairs of a Member then such Member may vote, whether on a show of hands or on a poll, by his receiver or curator bonis and such receiver or curator bonis may, on a poll, vote by proxy.

- 12.2. If two or more persons are jointly entitled to shares for the time being conferring a right to vote, any one of such persons may vote at any meeting, either personally or by proxy, in respect thereof as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting, either personally or by proxy, the Member whose name stands first on the Register as one of the holders of such shares, and no other, shall be entitled to vote in respect of the same.
- 12.3. No Member shall, unless the Directors otherwise determine, be entitled to be present or to vote, either in person or by proxy, at any general meeting or upon any poll, or to exercise any privilege as a Member in relation to meetings of the Company in respect of any shares held by him if either:
- 12.3.1. any Calls or other moneys due and payable in respect of those shares remain unpaid; or
- 12.3.2. a Direction Notice as defined in Article 12.4 shall have been served and not withdrawn or deemed to have been withdrawn.
- 12.4. If any Member, or any other person appearing to be interested in shares held by such Member, has been duly served with a notice under Section 793 of the CA 2006 and is in default for the prescribed period referred to in Article 12.6.2 in supplying to the Company the information thereby required, then the Directors may in their absolute discretion at any time thereafter serve a notice (a "**Direction Notice**") upon such Member as follows:
- 12.4.1. a Direction Notice may direct that, in respect of the shares in relation to which the default occurred (the "**Default Shares**") (which expression shall include any further shares which are issued in respect of such shares), the Member shall not be entitled to be present or to vote at any general meeting either personally or by proxy; and
- 12.4.2. where the Default Shares represent at least 0.25% of the Share capital of the Company, then the Direction Notice may additionally direct that:
- (a) in respect of the Default Shares, any dividend or other money which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the Member; and/or
- (b) no transfer of any of the Default Shares held by such Member shall be registered unless:
- (i) the Member is not himself in default as regards supplying the information required; and
- (ii) the transfer is of part only of the Member's holdings and when presented for registration is accompanied by certificate by the Member in a form satisfactory to the Directors to that effect that after due and careful enquiry the Member is satisfied that no

person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

The Company shall send to each other person appearing to be interested in the shares the subject of any Direction Notice a copy of the Notice, but the failure or omission by the Company to do so shall not invalidate such Direction Notice. Neither the Company nor the Directors shall in any event be liable to any person as a result of the Directors having imposed any restrictions pursuant to this Article if the Directors have acted in good faith.

12.5. Any Direction Notice shall have effect in accordance with its terms for so long as the default in respect of which it was issued continues. Any Direction Notice shall cease to have effect in relation to any shares which are transferred by such Member by means of an Approved Transfer. The Directors may at any time give notice cancelling a Direction Notice, in whole or in part, or suspending, in whole or part, the imposition of any restrictions contained in the Direction Notice for a given period.

12.6. For the purposes of this Article:

12.6.1. a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification under the said section 793 of the CA 2006 which either (c) names such person as being so interested or (b) fails to establish the identities or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant section 793 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interest in the shares;

12.6.2. the prescribed period in respect of any particular Member is 42 days from the date of service of the said Notice under section 793 of the CA 2006 except where the Default Shares represent at (east 0.25% of the share capital of the Company in which case such period shall be reduced to 28 days; and

12.6.3. a transfer of shares is an approved transfer if, but only if:

(a) it is a transfer of shares to an offeror by way or in pursuant of acceptance of a take over offer for a company (as defined in section 14 of the Companies Securities (Insider Dealing) Act 1985 as amended by the Criminal Justice Act); or

(b) the Directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with a Member and any other persons appearing to be interested in such shares and the transfer results from a sale made through a recognised investment exchange (as defined in section 285(1) of the Financial Services and Markets Act 2000) or any stock exchange outside the United Kingdom on which the Company's shares are normally traded (apart from any sale resulting from matching bargains) through the relevant market,

- 12.7. Nothing contained in this Article shall limit the powers of the Company under sections 794 to 796 of CA 2006 or any other powers whatsoever.
- 12.8. Reference to a person being in default in supplying to the Company the information required by a notice under section 793 of the CA 2006 includes:
- 12.8.1. reference to his having failed or referred to give all or any part of it; and
- 12.8.2. 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.
- 12.9. On a poll or on a show of hands votes may be given personally or by proxy in accordance with sections 285 and 324 of the CA 2006 and a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. The instrument appointing a proxy shall be in writing in the usual form, or such other form as shall be approved by the Directors, under the hand of the appointor or his duly constituted attorney, or if such appointor is a corporation, under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. 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 appointed exercises the rights attached to a different share or shares held by such Member. The Directors shall send proxy forms by post (which may be at the expense of the Company and with or without provisions for their return pre-paid) subject to the extent that a Member has consented to the use of electronic / website communication and notified an address for that purpose and, if the Directors so decide, using electronic / website communication to all persons entitled to notice of, and to attend and vote at, any General Meeting and Annual General Meeting or at any separate meeting of the holders of any class of shares in the Company. Deposit of an instrument of proxy shall not preclude a Member from attending and voting in person at the meeting thereof or any adjournment thereof.
- 12.10. If the Directors in their discretion decide, and provided the Company complies with all applicable regulatory requirements, a proxy appointment may be sent in electronic form.
- 12.11. A proxy appointment, including one sent in electronic form, gives authority for that proxy to demand or join in demanding a poll and generally to act at the meeting for the member (including speaking) making his appointment.
- 12.12. A proxy appointment that is not being sent in electronic form must be deposited at the place specified either in, or by way of note to, the notice convening the meeting or in the proxy appointment, or if no place is specified, at the Transfer Office not less than 48 hours before the time of the meeting or adjourned meeting (excluding weekends and bank holidays) or, in the case of a poll taken more than 48 hours after it is demanded, not less than 24 hours before the poll is taken at which the proxy appointment is to be used.
- 12.13. A proxy appointment which is being sent in electronic form must be received at an address specified by the Company for the purpose of receiving communications in electronic form:
- 12.13.1. in (or by way of a note to) the notice convening the meeting; or



12.13.2. in any form of proxy appointment sent out by the Company; or

12.13.3. in any invitation contained in an electronic form to appoint a proxy issued by the Company;

in each case not less than 48 hours before the time of the meeting or adjourned meeting (excluding weekends and bank holidays) at which the person named in the proxy form proposes to vote or in the case of a poll taken not more than 48 hours after it is demanded, not less than 24 hours before the poll is taken at which the proxy appointment is to be used. The time periods referred to in this Article shall be construed in accordance with section 327(3) of CA 2006.

12.14. A proxy appointment, including one sent in electronic form, gives authority for that proxy to demand or join in demanding a poll and to speak at, vote on a show of hands and generally to act at the meeting for the member making the appointment.

12.15. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed, or a notarially certified copy thereof, shall be under which it is signed deposited at the Office or at such other place within the United Kingdom as is specified for that purpose in or by way of note to the notice convening the meeting or in any instrument of proxy sent by the Company in relation to the meeting not less than forty-eight hours (excluding weekends and bank holidays) before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote and in default such instrument shall not be treated as valid.

12.16. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting to which it refers and shall be deemed to confer authority to demand or join in demanding a poll and shall also confer the right to speak at the meeting. No instrument of proxy shall be valid after the expiry of twelve months from the date of its execution except at an adjourned meeting or on a poll demanded at a meeting or adjourned meeting in cases where the meeting was originally held within twelve months from such date. The instrument appointing a proxy shall be in usual form or such other form as may be approved by the Directors from time to time and shall be in writing under the hand of the appointor, or of his attorney duly authorised in writing, or if such appointor be a corporation either under its common seal or under the hand of an officer or attorney so authorised. A Member may appoint two or more persons as proxies in the alternative, but if he does so, only one of such proxies may attend as such and vote instead of such Member on any one occasion.

12.17. A vote in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or incapacity of the principal or revocation of the instrument of proxy or the authority under which it was executed or transfer of the share in respect of which the vote was given, provided no intimation in writing of the death, or incapacity, revocation or transfer shall have been received at the Office or such other place as is specified for depositing the instrument of proxy before the time for holding the meeting or the holding of a poll subsequently thereto at which such vote is given.

### **13. CLASS CONSENTS AND VARIATIONS OF RIGHTS**

- 13.1. Subject to the provisions of the Statutes, if at any time the capital is divided into different classes of shares all or any of the rights or privileges attached to any class may be varied or abrogated (a) in such manner (if any) as may be provided by such rights, or (b) in the absence of any such provision either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise. The creation or issue of shares ranking *pari passu* with or subsequent to the shares of any class shall not (unless otherwise expressly provided by these Articles or the rights attached to such last mentioned shares as a class) be deemed to be a variation of the rights of such shares.
- 13.2. Any meeting for the purpose of the last preceding Article shall be convened and conducted in all respects as nearly as possible in the same way as a General Meeting Provided that (a) no Member, not being a Director, shall be entitled to notice thereof or to attend thereat unless he is a holder of shares of the class the rights or privileges attached to which are intended to be varied or abrogated by the resolution, (b) the provisions contained in Articles 11.12 and 11.17 regarding the requirement to give notice of such adjournment as required by those Articles (unless the length of any adjournment is greater than two months), shall not apply in relation to any adjourned class meeting, (c) no vote shall be given except in respect of a share of that class, (d) the quorum at any such meeting shall be at least two persons present holding or representing by proxy at least one-third in nominal value of the issued shares of the class, and at an adjourned meeting one person holding shares of the class in question or his proxy and (e) a poll may be demanded in writing by any Member present in person or by proxy and entitled to vote at the meeting.

### **14. DIRECTORS AND OTHER OFFICERS**

- 14.1. Unless and until otherwise determined by the Company in general meeting pursuant to Article 22.7 the number of Directors shall not be less than two nor The continuing Directors may act notwithstanding any vacancy in their body, provided that if the number of the Directors be less than the prescribed minimum the remaining Director or Directors shall forthwith appoint an additional Director or additional Directors to make up such minimum or shall convene a general meeting for the purpose of making such appointment. If there is no Director or are no Directors able or willing to act then any two holders may summon a general meeting for the purpose of appointing Directors. Any additional Director so appointed shall (subject to the provisions of the Statutes and these Articles) hold office only until the dissolution of the Annual General Meeting next following such appointment unless he is re-elected during such meeting.
- 14.2. The Directors shall be paid out of the funds of the Company by way of fees for their services an aggregate sum not exceeding £250,000 per annum. The Directors shall also receive by way of additional fees such further sums (if any) as the Company in general meeting may from time to time determine. Such fees and additional fees shall be divided among the Directors in such proportion and manner as they may determine and in default of determination equally. The provisions of this Article shall not apply to the remuneration of

any Managing Director or Executive Director which shall be determined pursuant to the provisions of Article 16.3 hereof.

- 14.3. The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors including any expenses incurred in attending Meetings of the Board or of Committees of the Board or general meetings and if in the opinion of the Directors it is desirable that any of their number should make any special journeys or perform any special services on behalf of the Company or its business, such Director or Directors may be paid reasonable additional remuneration and expenses as the Directors may from time to time determine.
- 14.4. A Director shall not require a share qualification. A Director shall be entitled to receive notice of and attend and speak at all general meetings of the Company and at all separate general meetings of the holders of any class of shares in the capital of the Company.
- 14.5. Without prejudice to the power of the Company pursuant to these Articles the Directors shall have power at any time to appoint any person either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles. Subject to the provisions of the Statutes and of these Articles, any Director so appointed shall hold office only until the dissolution of the Annual General Meeting next following such appointment unless he is re-elected during such meeting.

## **15. ALTERNATE DIRECTORS**

- 15.1. Any Director may in writing under his hand appoint (a) any other Director, or (b) any other person who is approved by the Board of Directors as hereinafter provided to be his alternate and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the Directors and, in the absence from the Board of the Director appointing him, to attend and vote at meetings of the Directors, and to exercise all the powers, rights, duties and authorities of the Director appointing him Provided always that no appointment of a person other than a Director shall be operative unless and until the approval of the Board of Directors by a majority consisting of two-thirds of the whole Board shall have been given. A Director may at any time revoke the appointment of an alternate appointed by him, and subject to such approval as aforesaid where requisite appoint another person in his place, and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine, provided always that if any Director retires but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired. The appointment of an alternate Director shall cease and determine on the happening of any event which, if he was a Director, would render him legally disqualified from acting as a Director or if he has a bankruptcy order made against him or if he compounds with his creditors generally or if he becomes of unsound mind. An alternate Director need not hold a share qualification and shall not be counted in reckoning this maximum number of Directors allowed by the Articles

for the time being. A Director acting as alternate shall have an additional vote at meetings of Directors for each Director for whom he acts as alternate but he shall count as only one for the purpose of determining whether a quorum be present.

- 15.2. Every person acting as an alternate Director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director. The remuneration of any such alternate Director shall be appointing him. An alternate Director shall otherwise be subject to the provisions of these Articles with respect to Directors.

## **16. MANAGING AND EXECUTIVE DIRECTORS**

- 16.1. Subject to the provisions of the Statutes, the Directors may from time to time appoint one or more of their body to be Managing Director or Joint Managing Directors of the Company or to hold such other executive office in relation to the management of the business of the Company as they may decide either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, and may, from time to time (subject to the provisions of any service contract between him and the Company and without prejudice to any claim for damages he may have for breach of any such service contract), remove or dismiss him or them from such office and appoint another or others in his or their place or places.
- 16.2. A Managing Director or such executive director shall be subject to the same provisions as to removal and as to vacation of office as the other Directors of the Company, and if he ceases to hold the office of Director from any cause he shall ipso facto immediately (but without prejudice as aforesaid) cease to be a Managing Director or such executive Director.
- 16.3. The salary or remuneration of any Managing Director or such executive Director of the Company shall, subject as provided in any contract, be such as the Directors may from time to time determine, and may either be a fixed sum of money, or may altogether or in part be governed by the business done or profits made, or may include the making of provisions for the payment to him, his widow or other dependants, of a pension on retirement from the office or employment to which he is appointed and for the participation in pension and life assurance benefits, or may be upon such other terms as the Directors determine.
- 16.4. The Directors may from time to time entrust to and confer upon a Managing Director or such executive Director for the time being of the power exercisable under these Articles by the Directors, other than power to make calls or forfeit shares, as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they may think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## **17. POWERS AND DUTIES OF DIRECTORS**

- 17.1. The business of the Company shall be managed by the Directors who in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them, may

exercise all such powers, and do all such acts and things as may be exercised or done by the Company, and as are not by the Statutes or by these Articles required to be exercised or done by the Company in general meeting, subject nevertheless to such directions (being not inconsistent with any regulations of these Articles or the provisions of the Statutes) as may be given by the Company in general meeting. Provided that no direction given by the Company in general meeting shall invalidate any prior act of the Directors, which would have been valid if such direction had not been given, and the provisions contained in these Articles as to any specific power of the Directors shall not be deemed to abridge the general powers hereby given. In the performance of their functions, the Directors shall comply with their duties (fiduciary or otherwise) including those as stated in the Acts.

- 17.2. The Directors may establish and maintain or procure the establishment and maintenance of or the participation of the Company in any non contributory or contributory pension or superannuation or death, disablement, sickness or other benefit funds or schemes for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or other benefits to any persons who are or were at any time Directors of or in the employment or service of the Company or of any company comprised in the Group, or of any company which is or was a predecessor in business of, or the whole or any part of the undertaking of which has become immediately or immediately vested in, the company or any such other company as aforesaid, or of any company allied or associated with the Company or any company within the Group, and to the wives, husbands, widows, widowers, children and other relatives and dependants of any such person, and may make payments for or towards the insurance of any such persons as aforesaid, and may establish maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds for the benefit of or calculated to be for the benefit of or to advance the interests and well-being of any company comprised within the Group, or of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any company comprised in the Group. Director holding or who has held such employment or officer shall be entitled to participate in and retain for his own benefit any such donation, gratuity, allowance or benefit (whether under any such fund, scheme, insurance or A Director or former Director shall not be accountable to the otherwise). A Director or former Director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of such benefit shall not disqualify any person from being or becoming a director of the Company.
- 17.3. The Directors may establish, maintain, support and subscribe to and contribute to all kinds of trusts, funds and schemes including but without prejudice to the generality of the foregoing share option, profit sharing and share incentive schemes and enter into any other arrangement permitted by law for the benefit of such persons referred to in Article 17.2 hereof or any of them or any class of them and so that any Director shall be entitled to receive and retain any benefit under any such trust, fund, scheme, or arrangement.
- 17.4. A Director may hold any other office or place of profit under the Company except that of Auditor in conjunction with the office of Director and may act by himself or through his firm in a professional capacity to the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. Any such remuneration shall be in addition to any remuneration provided for by any other Article, disqualified by his office

from entering into any contract, arrangement transaction or proposal with the Company either in regard to such other office or place of profit or as vendor, purchaser no such contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director or person connected with him is in any way interested, whether directly or indirectly, shall be avoided, nor shall any Director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of such Director holding that office or of the fiduciary relationship thereby established subject to the nature and extent of the Director's direct or indirect interest having been disclosed by him to the other Directors and authorisation being obtained from the Directors for the above in accordance with the provisions of the Statutes.

17.5. Save as herein provided, a Director shall not vote in respect of any contract, arrangement, transaction or any other proposal whatsoever in which he has any direct or indirect interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company unless the Director has made a declaration disclosing the nature and extent of such interests and has obtained from the other Directors their authorisation for the above in accordance with the provisions of the Statutes. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

17.6. A Director shall (in the absence of some other material interest than is as indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

17.6.1. the giving of any security or indemnity to him in respect of monies lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

17.6.2. the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

17.6.3. any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

17.6.4. any contract, arrangement, transaction or other proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he is not the holder of or beneficially interested in one per cent or more of any class of the equity share capital of such company (or of a third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);

- 17.6.5. any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which either relates to both employees and Directors of the Company or has been approved by or is subject to and conditional upon approval by the Board of HM Revenue & Customs for taxation purposes;
- 17.6.6. any contract, arrangement, transaction or proposal concerning the adoption modification or operation of any scheme for enabling employees including full time Executive Directors of the Company and/or any subsidiary to acquire shares of the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner to employees and which does not accord to any Director as such any privilege not accorded to the employees to whom the scheme relates; and
- 17.6.7. any arrangement for purchasing or maintaining for any officer or auditor of the Company or any of its subsidiaries insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, breach of duty or breach of trust for which he may be guilty in relation to the Company or any of its subsidiaries of which he is a director, officer or auditor.
- 17.7. A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.
- 17.8. 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 company in which the Company is interested, such proposals shall be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under Article 17.6.5) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 17.9. If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote 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 other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fully disclosed.
- 17.10. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors or other officers or servants of such company or voting or providing for the payment of remuneration to such officers or servants).

- 17.11. A Director of the Company may continue or become a Director or other officer, servant or member of any company promoted by the Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any remuneration or other benefits derived as director or other officer, servant or member of such company.
- 17.12. The Directors may exercise the powers conferred upon the Company by section 129 of the CA 2006 with regard to the keeping of a Overseas Branch Register, and the Directors may (subject to the provisions of that section) make and vary such regulations as they may think fit respecting the keeping of any such register.
- 17.13. The Directors may at any time require any corporate Member to furnish any information, supported (if the Directors so require) by a statutory declaration, which they may consider necessary for the purpose of determining whether or not such Member is one to which sections 423 to 430 (both inclusive) of and Schedule 19 to the Income and Corporation Taxes Act 1988 (or any statutory modification or re-enactment thereof for the time being in force) applies.
- 17.14. Subject to the provisions of the Acts and for the purposes of section 175 of CA 2006, the Directors may authorise in such manner and on such terms as they think fit any matter proposed to it in which a Director and/or any connected persons of a Director has or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company. Where such authorisation has been given, the duty of the Director in question to avoid a conflict of interest shall not be infringed in relation to that matter.
- 17.15. Any such authorisation as described in Article 17.14 will be effective only if:
- 17.15.1. any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and
  - 17.15.2. the matter was authorised without their voting or would have been authorised if their votes had not been counted.
- 17.16. The Board may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions it expressly imposes but such authorisation is otherwise given to the fullest extent permitted.
- 17.17. The Board may vary or terminate any such authorisation at any time.
- 17.18. For the purposes of this Article 17.14, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.
- 17.19. Where a Director has or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company and that conflict or possible conflict of interest has been authorised by the Company or by the Directors in accordance with this Article, subject to the terms on which any authorisation has been given:



17.19.1. the Director in question may absent himself from meetings of the Board at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed, or from the discussion of any such matter at a meeting or otherwise;

17.19.2. the Director in question may make arrangements not to receive or read documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company; and/or

17.19.3. the Director in question may act in any way authorised by any guidance for dealing with conflicts of interest issued by the Directors from time to time,

for so long as he reasonably believes such conflict of interest (or possible conflict of interest) subsists and by so doing, the Director in question shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of CA 2006.

## **18. PRESIDENT**

18.1. The Directors may from time to time appoint a President of the Company (who need not be a Director of the Company) and may determine his duties and remuneration and the period for which he is to hold office.

## **19. LOCAL MANAGEMENT**

19.1. The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality, whether at home or abroad, in such manner as they think fit, and the provisions contained in the three next following Articles shall be without prejudice to the general powers conferred by this Article.

19.2. The Directors from time to time, and at any time, may establish any local board or agencies for managing any of the affairs of the Company in any such specified locality, and may appoint any persons to be members of such local board, or any managers or agents, and may fix their remuneration. And the Directors from time to time, and at any time may delegate to any person so appointed any of the powers, authorities, and discretions for the time being and may vested in the Directors, other than the power of making Calls authorise the members for the time being of any such local board, or any of them, to fill up the vacancies therein, and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation.

19.3. The Directors may at any time and from time to time by power of attorney under the Seal, appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents), and for such period and subject to such conditions as the Directors may from time to time think fit and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney or attorneys as the Directors may think fit.

- 19.4. Any such delegates or attorneys as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

## 20. BORROWING POWERS

- 20.1. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking property and uncalled capital, or any part thereof, and to issue debentures and other securities. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (as regards subsidiaries so far as by such exercise they can secure) that the aggregate amount at any one time owing by the Company and its subsidiaries to persons outside the group shall not at any time without the previous sanction of the Company in general meeting exceed 15% of the aggregate of:

20.1.1. the nominal capital of the Company for the time being issued and paid up and

20.1.2. the amounts standing to the credit of the consolidated reserves of the Company and its subsidiaries whether distributable or undistributable and including (without limitation) share premium account, capital redemption reserve and profit and loss account all as shown in a consolidation of the then latest audited balance sheets of the Company and each of its subsidiary companies

but after:

20.1.3. making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital, the share premium account and the capital redemption reserve fund of the Company since the date of its latest audited balance sheet;

20.1.4. excluding therefrom (i) any sums set aside for future taxation (ii) amounts attributable to outside shareholders in subsidiaries;

20.1.5. deducting therefrom (i) an amount equal to any distribution by the Company out of profits earned prior to the date of its latest audited balance sheet and which have been declared, recommended or made since that date except so far as provided for in such balance sheet (ii) goodwill and other intangible assets and (iii) any debit balances on profit and loss account

(the aggregate sums being referred to as (the "**Adjusted Capital and Reserves**").

- 20.2. For the purpose of this Article "moneys borrowed" shall be deemed to include the following except in so far as otherwise taken into account:

20.2.1. the principal amount of any debentures or borrowed moneys, the beneficial interest whereof is not for the time being owned by any of the Company its subsidiaries, of any body whether corporate or unincorporated and the payment or repayment

whereof is the subject of a guarantee or indemnity by any of the Company and its subsidiaries;

- 20.2.2. the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any of the Company and its subsidiaries;
- 20.2.3. the principal amount of any debenture (whether secured or unsecured) of any of the Company and its subsidiaries owned otherwise than by any of the Company and its subsidiaries;
- 20.2.4. the principal amount of any preference share capital of any subsidiary owned otherwise than by any of the Company and its subsidiaries; and
- 20.2.5. any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing;

but shall be deemed not to include:

- 20.2.6. borrowings for the purposes of repaying the whole or any part of borrowings by any of the Company and its subsidiaries for the time being outstanding and so to be applied within six months of being pending their application for such purpose within such period; and
  - 20.2.7. borrowings for the purpose of financing any contract in respect of which any part of the price receivable by any of the Company and its subsidiaries is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade or by any other Governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured.
- 20.3. A report by the Auditors as to the aggregate amount which may at any one time in accordance with the provisions of Article 20.1 be owing by the Company and its subsidiaries without such sanction as aforesaid shall be conclusive in favour of the Company and all persons dealing with the Company.
- 20.4. When the aggregate amount of borrowings required to be taken into account for the purposes of this Article on any particular day is being ascertained, any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:
- 20.4.1. at the rate of exchange prevailing on that day in London provided that all but not some only of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business); or

- 20.4.2. where the repayment of such moneys is expressly covered by a forward purchase contract at the rate of exchange specified therein.
- 20.5. No debt incurred or security given in respect of moneys borrowed in excess of the limit hereby imposed shall be invalid or ineffectual except in the case of express notice at the time when the debt was incurred or security given that the limit hereby imposed has been exceeded.
- 20.6. The Directors may exercise all the powers of the Company to borrow or raise money upon or by the issue or sale of any bonds, debentures, or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as they may think proper, including a right for the holders of bonds, debentures, or securities, to exchange the same for shares in the Company of any class authorised to be issued.
- 20.7.
- 20.8. Subject as aforesaid the Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage of or charge upon all or any part of the undertaking or property of the Company, both present and upon any capital remaining unpaid upon the shares of the Company whether called up or not, or by any other security, and the Directors may confer upon any mortgagees or person in whom any debenture or security is vested, such rights and powers as they think necessary or expedient; and they may vest any property of the Company in trustees for the purpose of securing any moneys so borrowed or raised, and confer upon the trustees or any receiver to be appointed by them or by any debenture-holder such rights and powers as the Directors may think necessary or expedient in relation to the undertaking or property of the Company or the management or the realisation thereof or the making, receiving, or enforcing of Calls upon the Members in respect of unpaid capital, and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.
- 20.9. The Directors may give security for the payment of any moneys payable by the Company in like manner as for the payment of moneys borrowed or raised, but in such case the amount shall for the purpose of the above limitation be reckoned as part of the money borrowed.
- 20.10. The Directors shall keep a Register of Charges in accordance with the Statutes and the fee to be paid by any person other than a creditor or Member of the Company for each inspection of the Register of Charges to be kept under the Act shall be the sum of 5p.

## **21. DISQUALIFICATION OF DIRECTORS**

- 21.1. The office of a Director shall be vacated:
- 21.1.1. if not being a Managing Director or executive Director holding office as such for a fixed period, he delivers to the Board or to the Secretary a notice in writing of his resignation of his office of Director, and such resignation has taken effect in accordance with its terms;

- 21.1.2. if he ceases to be a Director by virtue of any provision of the Statutes or becomes prohibited by law from being a Director,
- 21.1.3. if he becomes bankrupt, or compounds with his creditors generally;
- 21.1.4. a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically and mentally incapable of acting as a directors and may remain so for more than three months;
- 21.1.5. if, by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 21.1.6. if not having leave of absence from the Directors he or his alternate (if any) fail to attend the meetings of the Directors for six successive months unless prevented by illness, unavoidable accident or other cause, which may seem to the Directors to be sufficient and the Directors resolve that his office be vacated.

## **22. RETIREMENT, ELECTION AND APPOINTMENT OF DIRECTORS**

- 22.1. At the next Annual General Meeting following a Director's first appointment such Director shall retire from office. The Directors may from time to time appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A Director so appointed shall hold office until the next following Annual General Meeting, but such Director shall be eligible for election. Such Director, if not appointed at the next following Annual General Meeting, shall vacate office at the conclusion of that meeting.
- 22.2. A Director may retire at any Annual General Meeting following the Annual General Meeting at which he last retired and was re-elected provided that he must retire from office at or before the third Annual General Meeting following the Annual General Meeting at which he last retired and was re-elected. A retiring Director shall be eligible for re-election, meeting shall retain office until the dissolution of such meeting, and shall be eligible for re-election.
- 22.3. That Company at any general meeting at which any Directors retire in manner aforesaid, may subject to any resolution reducing the number of Directors, fill up the vacated offices by electing a like number of persons to be Directors and may fill up any other vacancies.
- 22.4. If at any general meeting at which an election of Directors ought to take place the places of the retiring Directors are not filled up, then, subject to any resolution reducing the number of Directors, the retiring Directors, or such of them as have not had their places filled up shall, if willing, continue in office until the dissolution of the Annual General Meeting in the next year, unless, as regards any particular Director, a resolution for his re-election shall have been put to the meeting and lost.
- 22.5. A resolution for the appointment of two or more persons as Directors by a single resolution shall be void unless a resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against it.

- 22.6. No person except a retiring Director shall be elected a Director (unless recommended by the Directors for election) unless notice in writing shall be sent to the Secretary not more than twenty-eight days and not less than seven days before the day of the meeting at which the election is to take place, signed by a Member duly qualified to attend and vote at each meeting stating the name and address of the person who offers himself or is proposed as a candidate, together with a notice in writing signed by such person of his willingness to be elected.
- 22.7. The Company in general meeting may from time to time as special business increase or reduce the number of Directors and without prejudice to the provisions of these Articles, may in general meeting appoint any person to be a Director either to fill a casual vacancy or as an additional Director.
- 22.8. Without prejudice to the provisions of the Statutes, the Company may by Ordinary Resolution remove any Director before the expiration of his term of office.
- 22.9. The Company may by Ordinary Resolution appoint another person in place of the Director removed pursuant to the provisions of the Statutes, and the person so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed, but this provision shall not prevent him from being eligible for re-election.

### **23. PROCEEDINGS OF DIRECTORS AND COMMITTEES**

- 23.1. The Directors may meet together in person or by telephone (provided that all parties to the meeting can hear each other) for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Participation in a meeting by telephone shall be deemed to constitute presence in person at such meeting and any person so participating shall be entitled to vote and be counted in a quorum accordingly. Until otherwise determined two Directors shall constitute a quorum. Questions arising at any meeting shall be determined by a majority of votes. In case of any equality of votes the Chairman shall have a second or casting vote. One Director may, and the Secretary shall at the request of a Director, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of the Directors to a Director who is not within the United Kingdom.
- 23.2. Notice of Board Meetings shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board Meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, whether or not out of the United Kingdom.
- 23.3. The Directors may elect a Chairman or Joint Chairman and one or more Deputy Chairmen of their meetings (which may also be an executive officer in relation to the management or the business of the Company) and determine the period for which he is or they are to hold

office, but if no such Chairman or Deputy Chairman is elected, or if at any meeting neither the Chairman nor a Deputy Chairman is present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting.

- 23.4. A duly convened meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions by or under these Articles for the time being vested in or exercisable by the Directors generally.
- 23.5. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors shall be as effective for all purposes as a resolution of those Directors passed at a meeting duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors. Provided that such a resolution need not be signed by an alternate Director if it is signed by the Director who appointed him.
- 23.6. The Directors may delegate any of their powers to Committees consisting of such member or members of their body as they think fit and/or the Secretary.
- 23.7. All Committees shall in the exercise of the powers delegated to them and in the transaction of business, conform to any mode of proceedings and regulations which may be prescribed by the Directors, and subject thereto may regulate their proceedings in the same manner as the Directors may do.
- 23.8. The Directors shall cause minutes to be made of the following matters namely:
- 23.8.1. of all appointments of officers, and Committees made by the Directors and of their salary or remuneration;
- 23.8.2. of the names of Directors present at every meeting of the Board or of Committees of Directors meetings; and
- 23.8.3. of all orders, resolutions and proceedings of all meetings of the Company of the holders of any class of shares in the Company and of the Directors and Committees of the Directors.

Any such minute as aforesaid, if purporting to be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting shall be receivable as prima facie evidence of the matters stated in such minutes without any further proof.

- 23.9. All acts done by a meeting of the Directors, or of a Committee, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any person or persons acting as aforesaid, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office be as valid as if every such person had been duly appointed, and were duly qualified and had continued to be a Director.

## **24. ASSOCIATE DIRECTOR**

- 24.1. The Directors may from time to time appoint any person who is for the time being a manager or other officer or employee of the Company or of any subsidiary of the Company to be an "Associate Director" of the Company upon the terms of this Article.
- 24.2. An Associate Director shall not be required to hold any share qualification and save as otherwise agreed between him and the Company his appointment as an Associate Director shall not affect the terms and conditions of his employment by or service with the Company or any subsidiary of the Company in any other capacity, whether as regards duties, remuneration or otherwise; and, save as aforesaid, his office as Associate Director shall be vacated:
- 24.2.1. if he becomes of unsound mind or bankrupt or compounds with his creditors; or
  - 24.2.2. if he resigns his office; or
  - 24.2.3. if he ceases to be in the employment or service of the Company or a subsidiary of the Company; or
  - 24.2.4. if he is removed from office by a resolution of the Directors.
- 24.3. The appointment, continuance in office, removal, powers, duties, and remuneration of any Associate Director shall be determined by the Directors who shall have full power to make such arrangements, not being inconsistent with the provisions of this Article, as they may think fit.
- 24.4. An Associate Director shall not except with the approval of the Directors and to the extent of any such approval:
- 24.4.1. have any right of access to the books of the Company.
  - 24.4.2. be entitled to receive notice of or to attend at meetings of the Directors or of any Committee of the Directors.
  - 24.4.3. be entitled to participate in any other respect in the exercise of the collective powers or duties of the Directors or to exercise any of the powers or rights of a Director individually under these Articles.
  - 24.4.4. An Associate Director shall in no circumstances be entitled to vote at any meeting of the Directors or any Committee of Directors.

## **25. SECRETARY**

Subject to the provisions of the Statutes, the Secretary shall be appointed by the Directors for such term and at such remuneration and upon such conditions as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors but without prejudice to any claim for damages for breach of contract of service between him and the Company. If thought fit, two or more persons may be appointed as Joint Secretaries and the



Directors may also appoint from time to time, on such terms as they think fit one or more assistant or deputy secretaries.

## **26. AUTHENTICATION OF DOCUMENTS**

- 26.1. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts and where any books, records, documents or accounts are elsewhere than at the Office, the Local Manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.
- 26.2. A document purporting to be a copy of a resolution of the Directors which is certified as such shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

## **27. RESERVES, DIVIDENDS AND MISCELLANEOUS RESERVES**

- 27.1. Subject to the Statutes the Directors may before recommending any dividends whether preferential or otherwise carry to reserve out of the profits of the Company such sums as they think proper. All sums standing to reserve may be applied from time to time in the discretion of the Directors for meeting depreciation or contingencies or for special dividends or bonuses or for equalising dividends or for repairing, improving or maintaining any of the property of the Company or for such other purposes as the Directors may think conducive to the objects of the Company or any of them 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. The Directors may divide the reserve into such special funds as they 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 divided as they think fit. Any sum which the Directors may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.
- 27.2. At any time when the Company has given notice in the prescribed form (which has not been revoked) to the registrar of companies of its intention to carry on business as an investment company ("a Relevant Period") distribution of the Company's capital profits (within the meaning of section 833 of the CA 2006) shall be prohibited. The Board shall establish a reserve During a Relevant Period all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment off of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Board to be in the nature of an accretion to capital shall be credited to the capital reserve. Subject to the Act, the Board may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way

and partly the other. During a Relevant Period, any loss realised on the realisation or payment off of or other dealing with any investments or other capital assets and, subject to the Act, any expenses, losses or liabilities (or provision therefor) which the Board considers to relate to a capital item or which the Board otherwise considers appropriate to be debited to the capital reserve, shall be carried to the debit of the capital reserve. During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to any revenue reserve are applicable except and provided that, notwithstanding any other provision of these Articles, during a Relevant Period no part of the capital reserve or any other money in the nature of an accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 829 of the CA 2006) or be applied in paying dividends on any shares in the Company. In periods other than a Relevant Period any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 829 of the CA 2006) or be applied in paying dividends on any shares in the Company.

## **28. DIVIDENDS AND OTHER PAYMENTS**

- 28.1. Subject as hereinafter provided the Company in general meeting may declare a dividend to be paid to the Members according to their respective rights and interests in the profits, but no larger dividend shall be declared than is recommended by the Directors.
- 28.2. No dividend or other moneys payable by the Company shall bear interest as against the Company.
- 28.3. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of Calls shall be treated for the purpose of this Article as paid up on the share. Subject as aforesaid all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share carries any particular rights as to dividends such share shall rank for dividend accordingly.
- 28.4. In the case where several persons are registered as joint holders of any share any one of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such share.
- 28.5. The Directors may from time to time pay an interim dividend to the Members.
- 28.6. No dividend or interim dividend shall be payable except in accordance with the provisions of the Statutes.
- 28.7. All dividends, interest or other sums payable unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Subject to a resolution by the Board all dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the

Company. The payment of any unclaimed dividend, interest or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee thereof.

- 28.8. Every dividend shall belong and be paid (subject to the Company's lien) to those Members who shall be on the Register at the date fixed by the Directors for the purpose of determining the persons entitled to such dividend (whether the date of payment or some other date) notwithstanding any subsequent transfer or transmission of shares.
- 28.9. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all such sums as may be due from him to the Company on account of Calls or otherwise in relation to shares of the Company.
- 28.10. The Company may pay any dividend interest or other sum payable in cash or by direct debit, bank transfer, cheque, dividend warrant, or money order and may render the same by post to the Members or persons entitled thereto, and in the case of joint holders to the Member whose name stands first in the Register, or to such person and address as the holder or joint holders may direct, and the Company shall not be responsible for any loss of any such cheque, warrant, or order. Every such cheque, warrant, or order shall be made payable to the order of the person to whom it is sent, or to such person as the holder or joint holders may in writing direct, and the payment of the cheques, warrant or order shall be a good discharge to the Company.
- 28.11. Any general meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of any other company, and the Directors shall give effect to any such direction provided that no such distribution shall be made unless recommended by the Directors. Where any difficulty arises with regard to the distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments may be made to any Members upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors.

## **29. SCRIP DIVIDENDS**

- 29.1. The Directors may, with the prior sanction of an Ordinary Resolution of the Company, offer Members the right to elect to receive in respect of all or part of their holding of shares, additional shares credited as fully paid instead of cash in respect of all or part of such dividend or dividends and (subject as hereinafter provided) upon such terms and conditions and in such manner as may be specified in such Ordinary Resolution. The Ordinary Resolution shall confer the said power on the Directors in respect of all or part of a particular dividend or in respect of all or any dividends (or any part of such dividends) declared or paid within a specified period but such period may not end later than the date of the Annual General Meeting next following the date of the general meeting at which such Ordinary Resolution is passed.

- 29.2. When such right to elect is to be offered to members pursuant to this Article, the Directors shall notify Members of the said right and shall make available to or provide Members with forms of election (in such form as the Directors may approve) whereby the Members may exercise such right.
- 29.3. Each Member who elects to receive additional shares shall be entitled to receive such whole number of additional shares, calculated at the Issue Price for each such share and ignoring any fraction of an additional share, as is nearly as possible equal to (but not in excess of) the cash amount of the dividend which such Member would otherwise have received. For the purpose of this Article the "Issue Price" of an additional share shall be such price as is equal to the average of the middle market quotations for the shares of the Company as derived from the Daily Official List of The Stock Exchange during the period of five dealing days commencing on the day when such shares are first quoted "ex-dividend" or to the par value of a share (whichever is the higher).
- 29.4. Following election by Members in accordance herewith, the Directors shall appropriate out of the profits of the Company available for distribution in accordance with the Act an amount equal to the aggregate nominal value of the number of shares required to be allotted to Members who have given notice of election as aforesaid and shall apply such amount in paying up in full such number of additional shares. The obligation of the Directors to make such appropriation in respect of the shares of a particular Member shall be subject to the right of the Directors under these Articles to retain any dividend or other moneys payable on or in respect of the shares of such Member.
- 29.5. The shares so allotted credited fully paid shall not be entitled to participate in the dividend then being declared or paid but shall in all other respects rank *pari passu* with the fully paid shares then in issue.
- 29.6. Where shares constitute authorised investments for the purposes of the Trustee Investment Act 1961, the Directors shall (unless otherwise resolved by the Company in general meeting) ensure that at least part (being such part as the Directors may decide) of the dividend payable on each such share in each calendar year is paid in cash.
- 29.7. The Directors may on any occasion determine that the rights of election hereunder shall be subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to legal or practical problems under the laws of or the requirements of any recognised regulatory body or any stock exchange in any territory.
- 29.8. The Directors may undertake and do such acts and things as they may consider necessary or expedient for the purpose of giving effect to the provisions of this Article including (without limiting the foregoing) making such provisions as they may think fit in relation to any fraction of any share which may or would arise pursuant to the application of Article 149.3 (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members).

### **30. CAPITALISATION OF PROFITS**

- 30.1. The Directors may with the authority of an Ordinary Resolution of the Company:

- 30.1.1. subject as hereinafter provided, resolve to capitalise any undivided profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or, any sum standing to the credit of the Company's share premium account or capital redemption reserve fund;
- 30.1.2. appropriate the profits or sum resolved to be capitalised to the Members in proportion to the nominal amount of ordinary shares (whether or not fully paid) held by them respectively, and apply such profits or sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such Members respectively, or in paying up in full shares or debentures of the Company of a nominal amount equal to such profits or sum, and allot and distribute such shares or debentures credited as fully paid up, to and amongst such Members, or as they may direct, in the proportion aforesaid, or partly in one way and partly in the other Provided that the share premium account and the capital redemption reserve fund and any such profits which are not available for distribution may, for the purpose of this Article, only be applied in the paying up of shares to be issued to Members credited as fully paid and provided that in the case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves and would not be reduced below that aggregate by the payment thereof as shown in the latest audited accounts of the Company or such other accounts as may be relevant;
- 30.2. resolve that any shares allotted under this Article 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 dividends only to the extent that such partly paid shares rank for dividend;
- 30.3. make such provisions by the issue of fractional certificates or by payment in cash or otherwise as the Directors think fit in the case of shares or debentures becoming distributable under this Article in fractions;
- 30.4. 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 up, of any shares or debentures to which they may be entitled upon such capitalisation (any agreement made under such authority being thereupon effective and binding on all such Members); and
- 30.5. generally do all acts and things required to give effect to such resolution as aforesaid.

## **31. RECORD DATES**

Notwithstanding any other provision of these Articles the Company or the Directors may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before any date on which such dividend, distribution, allotment

or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

## **32. ACCOUNTS**

- 32.1. The Directors shall from time to time determine whether and to what extent and at what time and places, and under what conditions or regulations the accounting records of the Company, or any of them, shall be open to the inspection of the Members, and no Member shall have any right of inspecting any accounting record or other document of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting. The Register shall be open for inspection by any Member or other person entitled to inspect the same, and any person other than a Member inspecting the same shall pay a fee of £1.
- 32.2. Subject to the provisions of Article 32.3, a printed copy of every profit and loss account and balance sheet, including all documents required by law to be annexed to the balance sheet which is to be laid before the Company in general meeting, together with copies of the Directors' and of the Auditors' reports shall (in accordance with and subject as provided by the Statutes) not less than twenty-one clear days before the date of the meeting be sent to every Member (whether he is or is not entitled to receive notices of general meetings of the Company) and every holder of debentures of the Company (whether he is or is not entitled) and the Auditors and all other persons, being persons so entitled, and the requisite number of copies of these documents shall at the same time be forwarded to the appropriate department of the Stock Exchange Provided that the Company shall not be required to send copies of the documents as aforesaid in any case where the Company is entitled to and does serve a summary financial statement in accordance with section 426 of the CA 2006.
- 32.3. The Company may provide to its Members the information set out in Article 32.2 otherwise than by means of a printed copy, if such information is provided in accordance with Articles 35.1.3 and/or 35.1.4.

## **33. SEALS**

- 33.1. Subject to Article 33.2 the Directors shall provide a Seal for the Company and shall have power from time to time to destroy the same and to substitute a new seal in lieu thereof.
- 33.2. The Directors may resolve (if such be lawful) that the Company shall not have a Seal.
- 33.3. The Directors may exercise the powers conferred on the Company by the Acts or any statutory modification or re-enactment thereof with regard to having an official Seal solely for sealing documents creating or evidencing securities of the Company. Any such documents to which such Seal is affixed need not be signed by any person.
- 33.4. The Directors shall provide for the safe custody of every seal (if any) of the Company. The Seal (if any) shall never be affixed to any document except by the authority of a resolution of the Directors which authority may be of a general nature and need not apply only to specific documents or transactions. Subject as in this Article provided two Directors or one Director and the Secretary or some other person authorised by a resolution of the Directors

shall sign autographically every instrument to which the Seal shall be affixed and in favour of any purchaser or person bona fide dealing with the Company, such signatures shall be conclusive evidence of the fact that the Common Seal has been properly affixed. As regards certificates for shares, stock or debenture or loan stock (except where the Trust Deed constituting any debenture stock or loans stock provides to the contrary) or representing any other form of security of the Company to which an official seal of the Company is required to be affixed. The directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system as a mechanical or electronic signature.

- 33.5. Subject to the provisions of the Act, any instrument signed by a Director and the Secretary or by two directors and expressed (in whatever form of words) to be executed by the Company as a deed shall have the same effect as if executed under the Seal, if its execution in that way is authorised by the Directors or a committee of the Directors authorised so to do by the board of Directors.
- 33.6. The Company may exercise the powers conferred by section 49 of the CA 2006 with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

#### **34. BILLS, NOTES, CHEQUES AND RECEIPTS**

The Directors may draw, make, accept, or endorse, or authorise any other person or persons to draw, make, accept, or endorse any cheques, bills of exchange, promissory notes or other negotiable instrument which shall be signed by such persons or person as the Directors may appoint for the purpose.

#### **35. COMMUNICATIONS**

- 35.1. Any notice, document or information (including a share certificate) may be given or delivered by the Company to any member entitled to receive the same by the Company either:
- 35.1.1. personally;
  - 35.1.2. by sending it through the post in a prepaid envelope addressed to that member at his registered address or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as such address for the service of notices, documents or information or by delivering it to such address addressed to that member;
  - 35.1.3. subject to the member consenting to the giving or delivery of that notice, document or information, using electronic communications, by giving it using electronic communications to an address for the time being notified to the Company by that member for general or specific purposes; or
  - 35.1.4. subject to the provisions of the Acts, by making it available on a website provided that the requirements in Article 35.2 are satisfied.
- 35.2. The requirements referred to in Article 35.1.4 are:

- 35.2.1. 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);
  - 35.2.2. the member is sent 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'),
  - 35.2.3. 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;
  - 35.2.4. the notice, document or information continues to be published on that website, in the case of a notice of the meeting, throughout the period beginning with a date of the notification of availability and ending with the conclusion of the meeting and in all the cases throughout the period specified by any applicable conclusion of the 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.
- 35.3. A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive any notice, document or information from the Company except to the extent that the Company intends to give a notice, document or information using electronic communications and the member has consented to the giving or delivery of that notice, document or information by electronic communications (or by being made available on a website) and he has notified the Company of an address for that purpose.
- 35.4. In relation to deemed service of a notice, document or information:
- 35.4.1. where a notice, document or information is given or sent by post it shall be deemed to have been given or delivered on the day following the day on which it was posted unless it was sent by second class post in which case it shall be deemed to have been given on the second day after it was posted. In proving such service it shall be sufficient to prove that the letter containing the notice, document or information was properly addressed, prepaid and posted;



- 35.4.2. a notice, document or information given by advertisement shall be deemed to have been given or served on the day on which the advertisement appears;
- 35.4.3. where a notice or other document is given or sent using electronic communications it shall be deemed to have been given or delivered:
- (a) at the expiration of 24 hours after it was sent. In proving such service it shall be sufficient to prove that the notice, document or information was sent in accordance with the ICSA Guidelines;
  - (b) where that notice, document or information is in electronic format (such as CD-ROM or audiotape) and sent by post, on the day following the day on which it was posted unless it was sent by second class post in which case it shall be deemed to have been given on the second day after it was posted. In proving such service it shall be sufficient to prove that the letter containing the notice, document or information was properly addressed, prepaid and posted; or
  - (c) 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 these Articles, or if later, the date on which it is first made available on the website; and
- 35.4.4. where a notice, document or information to be given or sent using electronic communications has failed to be transmitted after two attempts made in accordance with the ICSA Guidelines then, that notice, document or information shall nevertheless be deemed to have been sent for the purposes of Article 35.4.3, that failure shall not invalidate any meeting or other proceeding to which the notice or document relates. As soon as practicable and in any event within 48 hours of the original attempt a duplicate of the relevant notice, document or information shall be sent through the post to the member to his last known address for the service of notices.
- 35.5. If at any time 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 notices sent through the post such general meeting may be convened by notice advertisement which shall be inserted once in at least one leading national daily newspaper.
- 35.6. Any notice given by advertisement shall be deemed to have been served immediately before noon on the day on which the advertisement (or if more than one, the later or latest) appears.
- 35.7. In respect of joint holdings all notices, documents and information shall be given to the joint holder whose name stands first in the Register in respect of such joint holding, and notice so given shall be sufficient notice to all the joint holders. For that purpose, a joint holder having no registered address in the United Kingdom for the service of notices shall be disregarded except to the extent that the Company intends to give a notice, document or information using electronic communications or by being made available on a website and the joint holder has consented (binding upon all joint holders) to the giving or delivery of that

notice, document or information by electronic communications or by being made on a website and he has notified the Company of an address for that purpose.

- 35.8. A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within the United Kingdom for the service of notices (or, in relation to any notice, document or information which that person consents to receive and the Company intends to give or send using electronic communications, as address for that purpose), shall be entitled to have served upon or delivered to him at such address any notice, document or information to which the member (but for his death or bankruptcy) would have been entitled, and that service or delivery shall for all purposes be deemed a sufficient service or delivery of that notice, document or information on all persons interested (whether jointly or as claiming through or under him) in the share. Except as already provided, any notice, document or information delivered or sent by post to, left at or given using electronic communications (including website communication) to the address of any member in pursuance of these Articles shall, even if the member is then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first-named joint holder.

## **36. UNTRACED SHAREHOLDERS**

- 36.1. The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a Member or any share or stock to which a person is entitled by transmission if and provided that:
- 36.1.1. for a period of twelve years (during which time at least three dividends shall have become payable in respect of such share or stock) no cheque or warrant sent by the Company through the post in a prepaid letter addressed to the Member or to the person entitled by transmission to the share or stock at his address on the Register or other the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from a Member or the person entitled by transmission; and
  - 36.1.2. the Company has at the expiration of the said period of twelve years by advertisement in both a leading National daily newspaper and in a newspaper circulating on the area in which the address referred to in Article 36.1.1 is located given notice of its intention to sell such share or stock; and
  - 36.1.3. the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person entitled by transmission; and
  - 36.1.4. the Company has first given notice in writing to the Quotations Department of the Stock Exchange of its intention to sell such shares or stock.

To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share or stock and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by the transmission to such share or stock. The Company shall account to the Member or other person entitled to such share or stock for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such Member or other person. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

### **37. DESTRUCTION OF DOCUMENTS**

37.1. The Company may destroy:

- 37.1.1. Any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- 37.1.2. Any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date of such mandate variation cancellation or notification was recorded by the Company;
- 37.1.3. Any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and
- 37.1.4. Any other document on the basis of which any entry in the Register is made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it;

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly sealed and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document in accordance with the recorded particulars thereof in the books or records of the company Provided always that:

- 37.1.5. The foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- 37.1.6. Nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and
- 37.1.7. References in this Article to the destruction of any document include references to its disposal in any manner.

### **38. DIVISION OF ASSETS IN SPECIE**

- 38.1. The Liquidator on any winding-up of the Company (whether voluntary or under supervision or compulsory) may with the authority of a Special Resolution, divide among the Members in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind, or shall consist of properties of different kinds, and for such purpose may set such value as he deemed fair upon any one or more class or classes of property, and may determine how much division shall be carried out as between Members or classes of Members but so that if any such division shall be otherwise than in accordance with the existing rights of the Members, every member shall have the same right of dissent and other ancillary rights as if such resolution were a Special Resolution passed in accordance with section 110 of the Insolvency Act 1986.

### **39. PROVISION FOR EMPLOYEES**

- 39.1. The Company shall exercise the power conferred upon it by section 247 of the CA 2006 only with the prior sanction of a Special Resolution. If at any time the capital of the Company is divided into different classes of shares, the exercise of such power as aforesaid shall be deemed to be a variation of the rights attached to each class of shares and shall accordingly require the prior consent in writing of the holders of three-fourths in nominal value of the issued shares of each class or the prior sanction of a Special Resolution passed at a separate meeting of the holders of the shares of each class convened and held in accordance with the provisions of Article 13.1.

### **40. DURATION OF THE COMPANY**

At the Annual General Meeting to be held in 2030 and, if the Company has not then been liquidated, reorganised or reconstructed, at each fifth Annual General Meeting of the Company convened by the Directors thereafter, the Directors shall propose an Ordinary Resolution that the Company should continue as a venture capital trust for a further five year period. If such Ordinary Resolution is not passed, the Directors shall draw up proposals for the voluntary liquidation reconstruction or other re-organisation of the Company for submission to the members of the Company at a General Meeting to be convened by the Directors for a date not more than nine months after the date of the meeting at which such Ordinary Resolution was not passed. The Directors shall use all reasonable endeavours to ensure that such proposals for the liquidation, reorganisation or reconstruction of the Company as are approved by Special Resolution are implemented as soon as is reasonably practicable after the passing of such resolution. For the purposes of this Article 40, an Ordinary Resolution will not have been carried only if those members in person or by proxy who vote against the resolution hold in aggregate not less than twenty-five per cent of the issued capital of the Company at such time entitled to attend and vote at such a meeting.

### **41. INDEMNITY**

Subject to the provisions of the Statutes, every Director or other officer or Auditor for the time being of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about

the execution of his office or otherwise in relation thereto the Company shall be entitled to purchase and maintain for any such director, officer or auditor insurance against such any liability.

## **42. "C" SHARES**

42.1. The holders of the Ordinary Shares, the C Shares and the Deferred Shares shall, subject to the provisions of this Article 42, have the following rights to be paid dividends:

42.1.1. the Deferred Shares (to the extent that any are in issue and extant) shall entitle the holders thereof to a non-cumulative dividend at a fixed rate of 1% of the nominal amount thereof (the "**Deferred Dividend**") on the date six months after the Conversion Date payable to the holders thereof on the register of members on that date as holders of Deferred Shares but shall confer no other right, save as provided herein, on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date six months after the Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of members of the Company as holders of Deferred Shares on that date.

42.1.2. the C Shareholders shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of net assets attributable to the C Shares and from income received and accrued which is attributable to the C Shares;

42.1.3. the Existing Ordinary Shares shall confer the right to dividends declared in accordance with these Articles;

42.1.4. the New Ordinary Shares shall rank pari passu with the Existing Ordinary Shares for dividends and other distributions declared by reference to a record date falling after the Calculation Date provided that the New Ordinary Shares shall not carry any entitlement to a dividend declared on the Ordinary Shares by reference to the annual audited accounts of the Company for the financial year ending 30 September 2017 (or such prior financial year, should (i) the C Share Fund be 70% invested in Qualifying Companies at an earlier date, (ii) the C Shares have been converted to New Ordinary Shares at an earlier date as a result of the net proceeds of the C Share Offer being less than £2,000,000 as at 5 April 2012), regardless of the date such dividend is declared; and

42.1.5. no dividend or other distribution shall be made or paid by the Company on any of its Shares between the Calculation Date and the Conversion Date (both dates inclusive) and no dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).

42.2. The holders of the Ordinary Shares, the C Shares and the Deferred Shares shall, subject to the provisions of this Article 42, have the following rights as to capital:

42.2.1. the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its Shares) prior

to Conversion be applied amongst the ordinary shareholders pro rata according to the nominal capital paid up on their holdings of Ordinary Shares after having deducted therefrom an amount equivalent to (C-D) using the methods of calculation of C and D given in the definition of Conversion Ratio, which amount shall be applied amongst the C Shareholders pro rata according to the nominal capital paid up on their holdings of C Shares, and for the purposes of this Article 42.2 the Calculation Date shall be such date as the liquidator may determine; and

42.2.2. the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) after Conversion be applied as follows:

- (a) firstly, if there are Deferred Shares in issue, in paying to the deferred shareholders 1p in respect of every 1,000,000 deferred shares (or part thereof) of which they are respectively the holders; and
- (b) secondly, the surplus shall be divided amongst the ordinary shareholders pro rata according to the nominal capital paid up on their holdings of Ordinary Shares.

42.3. The C Shares shall carry the right to receive notice of and to attend or vote at any general meeting of the Company. The Deferred Shares shall not carry any right to receive notice of or to attend or vote at any general meeting of the Company. The voting rights of the ordinary shares are not affected.

42.4. The following shall apply to the Deferred Shares:

42.4.1. the C Shares are issued on such terms that the Deferred Shares (but not the New Ordinary Shares arising on Conversion) may be repurchased by the Company in accordance with the terms set out herein;

42.4.2. immediately upon Conversion, the Company shall repurchase all of the Deferred Shares which arise as a result of the Conversion for an aggregate consideration of 1p for every 1,000,000 Deferred Shares and the notice referred to in Article 42.4.3 below shall be deemed to constitute notice to each C Shareholder (and any person or persons having rights to acquire C Shares on or after the Calculation Date) that the Deferred Shares shall be repurchased immediately upon Conversion for an aggregate consideration of 1p for each holding of 1,000,000 Deferred Shares. On repurchase, each Deferred Share shall be treated as cancelled in accordance with section 160(4) of the Act and the resulting authorised but unissued share capital shall ipso facto be reclassified and re-designated as Ordinary Shares without further resolution or consent; and

42.4.3. the Company shall not be obliged to (i) issue share certificates to the deferred shareholders in respect of the Deferred Shares; and (ii) account to any deferred shareholder for the repurchase monies in respect of such shares.

- 42.5. Until Conversion and without prejudice to its obligations under applicable laws, the Company shall:
- 42.5.1. procure that the Company's records and bank and custody accounts shall be operated so that the assets attributable to the C Shares can, in particular but without the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares;
  - 42.5.2. allocate to the assets attributable to the C Shares such proportion of expenses and liabilities of the Company incurred or accrued between the Issue Date and Calculation Date (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares; and
  - 42.5.3. give appropriate instructions to the Investment Manager to manage the Company's assets so that such undertakings can be complied with by the Company.
- 42.6. The C Shares shall be sub-divided and converted into New Ordinary Shares and Deferred Shares on the Conversion Date in accordance with the following provisions of this Article 42.6:
- 42.6.1. The Directors shall procure that within 120 business days of the Calculation Date:
    - (a) the Conversion Ratio as at the Calculation Date and the numbers of New Ordinary Shares and Deferred Shares to which each C Shareholder shall be entitled on Conversion shall be calculated; and
    - (b) the Auditors shall be requested to confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with these Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of Ordinary Shares and C Shares immediately after the definition of 'H' contained above.
- 42.7. The Directors shall procure that, as soon as practicable following such confirmation and in any event within ten business days of the Calculation Date, a notice is sent to each C Shareholder advising such C Shareholder of the Conversion Date, the Conversion Ratio and the numbers of New Ordinary Shares and Deferred Shares to which C Shareholders will be entitled on Conversion.
- 42.8. On Conversion each C Share shall automatically sub-divide into five C Shares of 1p each and such C Shares of 1p each shall automatically convert into such number of New Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:
- 42.8.1. the aggregate number of New Ordinary Shares into which the same number of C Shares of 1p each are converted equals the number of C Shares in issue on the

Calculation Date multiplied by the Conversion Ratio (rounded down to the nearest whole New Ordinary Share); and

- 42.8.2. each C Share of 1p which does not so convert into a New Ordinary Share shall convert into one Deferred Share.
- 42.9. The New Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C Shareholders pro rata according to their respective former holdings of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to New Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).
- 42.10. Forthwith upon Conversion, the share certificates relating to the C Shares shall be cancelled and the Company shall issue to each former C Shareholder new certificates in respect of the New Ordinary Shares which have arisen upon Conversion to which he or she is entitled. Share certificates in respect of the Deferred Shares will not be issued.
- 42.11. Forthwith upon Conversion, the rights attaching to the C Shares under these Articles shall lapse and those attaching to the Deferred Shares shall lapse upon the repurchase of the Deferred Shares whereupon each Deferred Share comprised in the authorised but unissued capital of the Company shall be re-designated as an Ordinary Share without further resolution or consent.