

THE COMPANIES (GUERNSEY) LAW, 1994, AS AMENDED

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

INDUS GAS LIMITED

Registered this 4th day of March 2008

(Amended by special resolution dated 27 May 2008)

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1. **DEFINITIONS**

1.1 In these Articles the following words shall bear the following meanings if not inconsistent with the subject or context:-

1.2

Words	Meanings
Admission Document	The document to be issued by or on behalf of the Company in connection with the proposed admission of the Company's ordinary shares to listing and trading on AIM.
AIM	The market of that name operated by the London Stock Exchange.
AIM Rules	The AIM rules for companies published by the London Stock Exchange plc governing admission to and the operation of AIM.
Articles	These Articles of Association as now framed and at any time altered.
at any time	At any time or times and includes for the time being and from time to time.
Auditor	The auditor for the time being of the Company.
Board	The Directors at any time or the Directors present at a duly convened meeting at which a quorum is present or, as the case may be, the Directors assembled as a committee of such Board.
Business Day	A weekday (other than a Saturday or Sunday) on which the majority of banks in London and Guernsey are open for normal banking business.
City Code	The City Code on Takeovers and Mergers published by the Takeover Panel in the United Kingdom from time to time.
CREST Guernsey Requirements	CREST Rule 8 and such other of the rules and requirements of Euroclear as may be applicable to

issuers as from time to time specified in the CREST Manual.

CREST Manual	The document entitled "CREST Reference Manual" issued by Euroclear.
CREST Regulations	The Uncertificated Securities Regulations 2001 (as amended from time to time) and such other regulations as are applicable to Euroclear and/or the CREST UK system from time to time.
CREST Rules	The Rules from time to time issued by Euroclear governing the admission of securities to and the operation of the CREST UK system.
CREST UK system	The facilities and procedures for the time being of the relevant system of which Euroclear has been approved as Operator pursuant to the CREST Regulations.
Defaulting Shareholder	Any Member that is a Significant Shareholder that the Company determines has not complied with the provisions of DTR5 with respect to some or all of such shares held by such Member
Dematerialised Instruction	An instruction sent or received by means of the CREST UK system.
Director	A director of the Company for the time being.
dividend	Includes bonus dividend.
DTR5	Chapter 5 of the Disclosure and Transparency Rules (as amended from time to time) of the UK Financial Services Authority Handbook.
Euroclear	Euroclear UK & Ireland Limited, the operator of the CREST UK System.
Executor	Includes administrator.
Extraordinary Resolution	A resolution of the Members in general meeting passed by a majority of not less than three quarters of the votes recorded, including, where there is a poll, any votes cast by proxy.
FSA	The Financial Services Authority of the United Kingdom.
Group	Any holding company of the Company and any subsidiary of such holding company and any subsidiary of the Company.
Laws	Every Order in Council, Act or Ordinance for the time being in force concerning companies registered in Guernsey and affecting the Company including all statutory re-enactment or modification of the Law and

	every Order in Counsel, Statute or Ordinance.
Liquidator	Any liquidator of the Company appointed at any time under the Laws.
London Stock Exchange	London Stock Exchange plc.
Member	In relation to shares means the person whose name is entered in the Register as the holder of the shares and includes any person entitled on the death, disability or insolvency of a Member.
Memorandum	The Memorandum of Association of the Company.
month	Calendar month.
Non-Qualified Holder	Any person, as determined by the Directors, to whom a sale or transfer of shares, or in relation to whom the holding of shares (whether directly or indirectly affecting such person, and whether taken alone or in conjunction with other persons, connected or not, or any other circumstances appearing to the Directors to be relevant): (a) would or could be in breach of the laws or requirements of any jurisdiction or governmental authority or (b) might result in the Company incurring a liability to taxation or suffering a pecuniary, fiscal, administrative or regulatory disadvantage.
Office	The registered office at any time of the Company.
proxy	Includes attorney.
Register	The register of Members kept pursuant to the Laws.
Relevant Changes	Changes to the holding of a Significant Shareholder above 3 per cent. (excluding treasury shares) which increase or decrease such holding through any single percentage.
Secretary	Includes a temporary or assistant secretary and any person appointed by the Board to perform any of the duties of secretary of the Company.
sent in electronic form	A document is sent in electronic form if it is in electronic form and (a) is sent by electronic means, which means that it is sent and received at its destination by means of electronic equipment for the processing (which includes, without limitation, digital compression) or storage of data, and entirely transmitted and received by wire, by radio, by optical means or by other electromagnetic means, or (b) is sent by other means. A document authorised or required to be sent in electronic form must be sent in a form, and by means, that the sender reasonably

considers will enable the recipient (i) to read or see it with the naked eye, and (ii) retain a copy of it.

Significant Shareholder

A shareholder holding 3 per cent. or more of any class of securities of the Company (excluding treasury shares).

Sponsor

A company, person or firm admitted by Euroclear to act as sponsor under the CREST Rules.

Uncertificated

A unit of a Guernsey security, title to which is recorded on the relevant register of securities as being held in uncertificated form, and title to which may be transferred by means of the CREST UK system; and "Certificated" means a unit of a Guernsey security which is not an Uncertificated unit.

United Kingdom

The United Kingdom of Great Britain and Northern Ireland.

U.S. or United States

The United States of America, its territories and possessions, any state of the United States of America and District of Columbia.

2. **INTERPRETATION**

2.1 The singular includes the plural and *vice versa*.

2.2 The masculine includes the feminine.

2.3 Words importing persons include corporations.

2.4 Expressions referring to writing include any mode of representing or reproducing words (but only to the extent that (a) the Directors so resolve, either generally or in relation to particular categories of document, and (b) (the recipient (if not the Company) has requested or agreed) including electronic communication and, subject to the Laws, communication sent in electronic form.

2.5 References to enactments shall include references to any modifications or re-enactments thereof for the time being in force.

2.6 The word "**may**" shall be construed as permissive and the word "**shall**" shall be construed as imperative.

2.7 Subject to the above, any words defined in the Laws shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

2.8 The headings are inserted for convenience only and shall not affect the interpretation of these Articles.

2.9 The expression "**officer**" shall include a Director, manager and the Secretary, but shall not include an auditor.

2.10 Any words or expressions defined in the CREST Regulations shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.

- 2.11 The expressions “**communication**” and “**electronic communication**” shall have the same respective meanings as in the Electronic Communications Act 2000, the latter including, without limitation, e-mail, facsimile, CD-Rom, audio tape and telephone transmission, communication sent in electronic form and (subject to the Laws and in the case of electronic communication by the Company in accordance with these Articles) publication on a website.
- 2.12 The expression “**address**” shall include, in relation to electronic communication, any number or address used for the purposes of such communication.

3. **BUSINESS**

Any branch or kind of business which by the Memorandum or by these Articles is either expressly or impliedly authorised to be undertaken may be undertaken or suspended at any time by the Board whether commenced or not. The investment objective and policy of the Company shall be as set out in the Admission Document. The Company will not make any material change in the investment objective and policy of the Company without the approval of Members by ordinary resolution.

4. **SHARES**

- 4.1 The authorised share capital of the Company is such amount divided into such number of shares as may from time to time be specified in the Memorandum.
- 4.2 Subject to the terms and rights attaching to shares already in issue and these Articles, any new shares shall be of such class and amount and have such preference or priority as regards dividends or in the distribution of assets or as to voting or otherwise over any other shares of any class whether then issued or not or be subject to such stipulations deferring them to any other shares with regard to dividends or in the distribution of the assets as the Board may determine.
- 4.3 Any preference shares may, with the sanction of an ordinary resolution, be issued on terms that they are or at the option of the Company or the holder are liable to be redeemed on such terms and in such manner as the Company before the issue may by ordinary resolution determine and subject to and in default of such determination as the Board may determine.
- 4.4 The Company may from time to time, subject to the provisions of the Laws, purchase its own shares (including any redeemable shares) in any manner authorised by the Laws.
- 4.5 If at any time the shares of the Company are divided into different classes, all or any of the rights for the time being attached to any share or class of shares (and notwithstanding that the Company may or may be about to be in liquidation) may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters of the capital committed or agreed to be committed in respect of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in these Articles, but so that the quorum at such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one third of the capital committed or agreed to be committed in respect of the issued shares of the class in question.
- 4.6 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class) be deemed to be varied by (a) the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu*

therewith but in no respect in priority thereto or (b) the purchase or redemption by the Company of any of its own shares.

- 4.7 The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other special rights shall not be deemed to be varied by the exercise of any powers under Article 6.
- 4.8 For the avoidance of doubt, it is hereby declared that a resolution to increase the authorised share capital of the Company shall not be regarded or deemed as varying, modifying or abrogating the special rights conferred upon the holders of any shares issued with preferred, deferred or other special rights.
- 4.9 Subject to the restrictions contained in these Articles, including without limitation, the provisions of Articles 4.10 and 4.12, the unissued shares for the time being in the capital of the Company shall be at the disposal of the Directors, and they may allot, grant options over, or otherwise dispose of them to such persons at such times and on such terms as they think proper, but so that no shares shall be issued at a discount.
- 4.10 Notwithstanding Article 4.9 the Company may at any time by way of ordinary resolution vary, restrict or revoke the authority of the Directors to allot, grant options or otherwise dispose of shares.
- 4.11 Notwithstanding anything to the contrary contained in these Articles, the provisions of Articles 4.12 and 4.13 shall not apply until all of the issued shares of the Company have been admitted to trading on AIM.
- 4.12 Effective from the date of admission of all of the issued shares of the Company to AIM, the Directors shall have the authority during the 12 month period following the date of admission and in each subsequent 12 month period thereafter, subject to a maximum period of 5 years from the date of admission of all of the issued shares of the Company to AIM, to issue and allot such number of shares as is equivalent to, but not exceeding, 20% of the number of shares in issue at the commencement of such 12 month period ("**General Mandate**").
- 4.13 Subject to Articles 4.14 and 4.20 below, the Company, when proposing to allot Shares of any class:
- 4.13.1 shall not allot any of them on any terms to a person unless it has made an offer to each person who is a Holder and who holds Shares of the relevant class on the same or more favourable terms a proportion of those Shares which is as nearly as practicable equal to the proportion in value held by the Holder of the relevant class of Shares then in issue (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirement of any regulatory body or stock exchange); and
- 4.13.2 shall not allot any of those Shares to a person unless the period during which any such offer may be accepted by the relevant current Holders has expired or the Company has received a notice of the acceptance or refusal of every offer so made from such Holders; and
- 4.13.3 shall not apply to an allotment of any Shares or the grant of any options or warrants over Shares which takes place contemporaneously with the first admission of Shares to trading on AIM following adoption of these Articles.
- 4.14 Article 4.13 shall not apply to:

- 4.14.1 an allotment of Shares if such Shares are or are to be, wholly or partly paid otherwise than in cash;
 - 4.14.2 Shares issued contemporaneously with the admission of the Company's shares to trading on AIM;
 - 4.14.3 Shares issued pursuant to the General Mandate; or
 - 4.14.4 any Shares allotted or issued pursuant to the terms of an employee share option scheme adopted by the Company.
- 4.15 An offer under Article 4.13 shall be made to Holders in writing and shall be made to a Holder either personally or by sending it by post to that Holder or to his registered address or by leaving it at that address or by any other means authorised in writing by the member concerned or to the address supplied by the Holder to the Company for the giving of notice to him or by means of electronic communication. If sent by post the offer is deemed to be made at the date a posted document would be deemed to be delivered in accordance with Article 37. If sent by electronic communication, the offer is deemed received by the Holder within 48 hours of its dispatch.
- 4.16 Where Shares are held by two or more persons jointly, an offer under Article 4.13 may be made to the joint Holder first named in the register of Members in respect of the Shares.
- 4.17 In the case of a Holder's death or bankruptcy, the offer must be made:
- 4.17.1 by sending it by post in a prepaid letter addressed to the persons claiming to be entitled to the Shares in consequence of the death or bankruptcy by name, or by the title of the representatives of the deceased, or trustee of the bankruptcy, or by any like description, at the address supplied for the purpose by those claiming; or
 - 4.17.2 until any such address has been so supplied giving the notice in any manner in which it would have been given if the death or bankruptcy has not occurred.
- 4.18 If the relevant Holder in relation to an offer under Article 4.13 has no registered address for the services of notices on him or is the holder of a warrant for Shares the offer may be made by causing it or a notice of where a copy may be obtained or inspected to be published in at least one UK national newspaper and one daily newspaper circulated widely in each of Guernsey and Jersey.
- 4.19 An offer pursuant to Article 4.13 must state a period of not less than 21 days during which it may be accepted and the offer shall not be withdrawn before the end of that period.
- 4.20 Notwithstanding the provisions of Article 4.13 to 4.19 (inclusive), the Directors may be given by virtue of an Extraordinary Resolution the power to allot Shares either generally or in respect of a specific allotment such that:
- 4.20.1 Article 4.13 shall not apply to the allotment; or
 - 4.20.2 Article 4.13 shall apply to the allotment with such modifications as the Directors may determine; and
 - 4.20.3 the authority granted by the Extraordinary Resolution may be granted for such period of time as the Extraordinary Resolution permits, which must be not more than 5 years after the date on which the Extraordinary Resolution is passed, and such authority may be revoked by a further Extraordinary Resolution.

- 4.21 An Extraordinary Resolution under Article 4.20 shall not be proposed in respect of a specific allotment unless it is recommended by the Directors and there has been circulated, with the notice for the meeting at which the resolution is to be decided, a proposal to the Holders entitled to have that notice a written statement by the Directors setting out:
- 4.21.1 their reasons for making the recommendations;
 - 4.21.2 the amount to be paid to the Company in respect of the Shares to be allotted; and
 - 4.21.3 the Directors' justification of that amount.
- 4.22 The Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder:
- 4.22.1 recognise a renunciation thereof by the allottee in favour of some other person and accord to any allottee of a share a right to effect such renunciation; and/or
 - 4.22.2 allow the rights represented thereby to be one or more participating securities,
- in each case upon and subject to such terms and conditions as the Directors may think fit to impose.
- 4.23 The Company may pay commission in money or shares 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 provided that the rate or amount of commission shall be fixed by the Board and disclosed in accordance with the Laws. The Company may also pay brokerages.
- 4.24 For the purposes of Section 29 of the Laws, the minimum subscription shall be 2 shares.
- 4.25 The Company may hold any of its shares purchased by it as treasury shares in accordance with The Companies (Purchase of Own Shares) (Treasury Shares) Ordinance, 2006.

5. **COMPANY NOT OBLIGED TO RECOGNISE ANY TRUST**

Except as ordered by a court of competent jurisdiction or as required by law the Company shall not be affected or bound by or be compelled in any way to recognise (even when having notice) any equitable contingent future or partial interest in any share or fraction or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right of the registered holder to the entirety of the share and whether or not such share shall be entered in the Register as held in trust nor shall the Company be bound to see to the execution of any trust to which any share may be subject.

6. **POWER TO REQUIRE DISCLOSURE OF BENEFICIAL INTEREST**

- 6.1 Notwithstanding Article 7, the Directors shall have power by notice in writing to require any Member to disclose to the Company the identity of any person other than the Member (an "**interested party**") who has any interest in the shares held by the Member and the nature of such interest.
- 6.2 Any such notice shall require any information in response to such notice to be given in writing within such reasonable time as the Directors shall determine.

- 6.3 The Company shall maintain a register of interested parties to which the provisions of Sections 55 and 58 of the Companies (Guernsey) Law, 1994, as amended shall apply *mutatis mutandis* as if the register of interested parties was the Register of Members and whenever in pursuance of a requirement imposed on a Member as aforesaid the Company is informed of an interested party the identity of the interested party and the nature of the interest shall be promptly inscribed therein together with the date of the request.
- 6.4 Directors may be required to exercise their powers under Article 6.1 above on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company.
- 6.5 A requisition under Article 6.4 must:-
- 6.5.1 state that the requisitionists are requiring the Company to exercise its powers under this Article;
 - 6.5.2 specify the manner in which they require those powers to be exercised;
 - 6.5.3 give reasonable grounds for requiring the Company to exercise those powers in the manner specified; and
 - 6.5.4 be signed by the requisitionists and deposited at the Office.
- 6.6 A requisition may consist of several documents in like form each signed by one or more requisitionists.
- 6.7 On the deposit of a requisition complying with this section it is the Directors' duty to exercise their powers under Article 6.1 in the manner specified in the requisition.
- 6.8 If any Member has been duly served with a notice given by the Directors in accordance with Article 6.1 and is in default for the prescribed period 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.
- 6.9 A direction notice may direct that, in respect of:-
- 6.9.1 any shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "**default shares**"); and
 - 6.9.2 any other shares held by the Member;
- the Member shall not be entitled to vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by proxy to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company.
- 6.10 Where the default shares represent at least 0.25% of the class of shares concerned, the direction notice may additionally direct that in respect of the default shares:
- 6.10.1 any dividend or part thereof 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;
 - 6.10.2 no transfer other than an approved transfer (as set out in Article 6.14.3) of the default shares held by such Member shall be registered unless:-

- (a) the Member is not himself in default as regards supplying the information requested; and
 - (b) when presented for registration the transfer is accompanied by a certificate by the Member in a form satisfactory to the Directors to the effect that after due and careful enquiry the Member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.
- 6.11 The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but failure or omission by the Company to do so shall not invalidate such notice.
- 6.12 If shares are issued to a Member as a result of that Member holding other shares in the Company and if the shares in respect of which the new shares are issued are default shares in respect of which the Member is for the time being subject to particular restrictions, the new shares shall on issue become subject to the same restrictions whilst held by that Member as such default shares. For this purpose, shares which the Company procures to be offered to Members *pro rata* (or *pro rata* ignoring fractional entitlements and shares not offered to certain Members by reason of legal or practical problems associated with offering shares outside the United Kingdom or Guernsey) shall be treated as shares issued as a result of a Member holding other shares in the Company.
- 6.13 Any direction notice shall have effect in accordance with its terms for as long as the default, in respect of which the direction notice was issued, continues but shall cease to have effect in relation to any shares which are transferred by such Member by means of an approved transfer as set out in Article 6.14.3(c). As soon as practical after the direction notice has ceased to have effect (and in any event within 7 days thereafter) the Directors shall procure that the restrictions imposed by Articles 6.9 and 6.10 shall be removed and that dividends withheld pursuant to Article 6.10.1 are paid to the relevant Member.
- 6.14 For the purpose of this Article:
- 6.14.1 a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
 - 6.14.2 the prescribed period in respect of any particular Member is 28 days from the date of service of the said notice in accordance with Article 6.1 except where the default shares represent at least 0.25% of the class of shares concerned in which case such period shall be 14 days;
 - 6.14.3 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 pursuance of acceptance of a public offer made to acquire all the issued shares in the capital of the Company not already owned by the offeror or connected person of the offeror in respect of the Company; or
 - (b) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the Member and with other persons appearing to be interested in such shares; or

- (c) the transfer results from a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000, as amended) or any stock exchange outside the United Kingdom on which the Company's shares are listed or normally traded.

For the purposes of this sub paragraph any person referred to in Article 23.7 in relation to Directors shall, *mutatis mutandis*, be included amongst the persons who are connected with the Member or any person appearing to be interested in such shares.

- 6.15 Any Member who has given notice of an interested party in accordance with Article 6.1 who subsequently ceases to have any party interested in his shares or has any other person interested in his shares shall notify the Company in writing of the cessation or change in such interest and the Directors shall promptly amend the register of interested parties accordingly.

7. OBLIGATION OF DISCLOSURE

- 7.1 Each Member shall be under an obligation to make certain notifications in accordance with the provisions of this Article.

- 7.2 If at any time the Company shall have a class of shares admitted to trading on AIM, the provisions of DTR5 of the Handbook shall be deemed to be incorporated by reference into these Articles and accordingly the vote holder and issuer notification rules set out in DTR5 shall apply to the Company and each Member.

- 7.3 For the purposes of incorporation by reference of DTR5 into these Articles and the application of DTR5 to the Company and each Member, the Company shall (for the purposes of this Article 7 only) be deemed to be an "issuer", as such term is defined in DTR5 (and not, for the avoidance of doubt, a "non-UK issuer", as such term is defined in DTR5); and defined terms in DTR5 shall bear the meaning set out in DTR5; and if the meaning of a defined term is not set out in DTR5, the defined term shall bear the meaning set out in the Glossary to the Handbook (in such case, read as the definition applicable to DTR5).

- 7.4 Notwithstanding the provisions of DTR5:

- 7.4.1 the Company will issue notification *without delay* of any Relevant Changes to any Significant Shareholders; and

- 7.4.2 the information required to be released by the Company will be *notified* by the Company in accordance with the AIM Rules rather than "made public" in accordance with the DTR5.

- 7.5 Statutory disclosure of Significant Shareholdings is different and may not always ensure compliance with the requirements of the AIM Rules.

- 7.6 If the Company determines that any Member is a Defaulting Shareholder, the Company shall have the right at any time thereafter to serve a notice (a "**direction notice**") in accordance with the provisions of Articles 6.9 to 6.12, inclusive, save that any direction notice shall cease to have effect on the date that is not more than 7 days after the Company has determined in its sole discretion that the Defaulting Shareholder has cured the non-compliance with the provisions of DTR5; provided, however, that the Company may at any time by subsequent written notice cancel or suspend the operation of a direction notice.

8. **CERTIFICATES AND REGISTER OF MEMBERS**

- 8.1 Subject to the Laws, the Board may issue shares as Certificated shares or as Uncertificated shares in its absolute discretion.
- 8.2 Subject to Article 8.1, the Company shall issue:
- 8.2.1 without payment one certificate to each person for all his shares of each class and when part only of the shares comprised in a certificate is sold or transferred a balance certificate; or
 - 8.2.2 upon payment of such sum as the Board may determine several certificates each for one or more shares of any class.
- 8.3 Any certificate issued shall specify the shares to which it relates and the amount paid up and the distinguishing numbers (if any).
- 8.4 All forms of certificate for shares or debentures or representing any other form of security (other than letters of allotment scrip certificates and other like documents) may if determined by the Board be issued under the common signature of the Company and may be signed mechanically.
- 8.5 If a share certificate is issued and is defaced lost or destroyed it may be replaced or renewed without charge (other than exceptional out of pocket expenses) on such terms (if any) as to evidence and indemnity as the Board thinks fit.
- 8.6 Shares of any class may be traded through an electronic settlement system and held in Uncertificated form in accordance with such arrangements as may from time to time be permitted by any statute, regulation, order, instrument or rule in force affecting the Company. Amendments to these Articles which may be necessary or expedient for this purpose may be made by special resolution but will not be deemed to vary the rights of any class of shares.
- 8.7 The Company shall keep the Register at the Office in accordance with the Laws. The Register may be closed during such periods as the Board think fit not exceeding in all 30 days in any year.
- 8.8 The Company shall not be bound to register more than 4 persons as the joint holders of any share or shares. In the case of a Certificated share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.

9. **SHARE OFFERS**

- 9.1 At any time when the Company is not subject to the City Code a person must not (other than solely as custodian or depository (or nominee thereof) under any arrangements implemented and/or approved by the Directors):
- 9.1.1 whether by himself, or with persons determined by the Board to be acting in concert with him, acquire after the date that this article shall come into effect (for the purposes of Articles 9.1 to 9.13, the "**Effective Date**"), an interest in shares which, taken together with interests in shares in which he together with persons determined by the Board to be acting in concert with him are, after the Effective Date interested, carry 30 per cent. or more of the voting rights attributable to the shares; or

9.1.2 whilst he, together with persons determined by the Board to be acting in concert with him, is interested in shares carrying not less than 30 per cent. of the voting rights attributable to shares but does not hold shares of the Company carrying more than 50 per cent of such voting rights, acquires after the Effective Date, whether by himself or with persons determined by the Board to be acting in concert with him, an interest in additional shares of the Company which, taken together with interests in shares held by persons determined by the Board to be acting in concert with him, increases the percentage of shares carrying voting rights attributable to shares in which he, together with persons deemed by the Board to be acting in concert with him, is interested, (each of article 9.1.1 and 9.1.2 being for purposes of Articles 9.1 to 9.13, a "**Limit**"),

except as a result of a Permitted Acquisition, as hereinafter defined; or

9.1.3 effect or purport to effect a Prohibited Acquisition, as hereinafter defined.

9.2 Where any person breaches any Limit, except as a result of a Permitted Acquisition, or becomes interested in any shares as a result of a Prohibited Acquisition that person is in breach of these Articles and, except with the consent of the Board, such person (the "**Offeror**") shall extend an offer, on the basis set out in these Articles, to all the Members to acquire the entire issued share capital of the Company. Any such offer shall be:

9.2.1 in cash (or together with a cash alternative);

9.2.2 at a price not less than the highest price at which the Offeror (or any person acting in concert with it) has acquired or been issued shares in the 12 month period prior to such offer being made;

9.2.3 conditional on, but only on, the Offeror receiving sufficient acceptances which, together with any shares in the Company already owned or agreed to be acquired by the Offeror, together with persons deemed by the Board to be acting in concert with him, would result in the Offeror (or any persons deemed by the Board to be acting in concert with the Offeror) owning or being interested in shares carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Company, including, for this purpose, any such voting rights attaching to shares that are unconditionally allotted or issued before the offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise and, for the purposes of any such condition, shares which have been unconditionally allotted but not issued shall be deemed to carry the voting rights they will carry on issue;

9.2.4 open for acceptances for 14 days after such offer becomes or is declared unconditional as to acceptances; and

9.2.5 otherwise, extended to all Members on similar terms, where relevant, as if the City Code applied to the Company.

9.3 In exercising its powers on behalf of the Company, the Board shall comply, and shall procure (so far as it is within its power to do so) compliance, with the spirit of Rule 16 (Special Deals with Favourable Conditions) and Rule 21 (Restrictions on Frustrating Action) of the City Code.

- 9.4 Notwithstanding the provisions of article 9.3, the Board may do all or any of the following where it has reason to believe that any Limit is or may be breached or any Prohibited Acquisition has been or may be effected:
- 9.4.1 require any Member or person appearing or purporting to be interested in any shares of the Company to provide such information as the Board considers appropriate to determine any of the matters under Articles 9.1 to 9.13;
 - 9.4.2 have regard to such public filings as it considers appropriate to determine any of the matters under Articles 9.1 to 9.13;
 - 9.4.3 make such determinations under Articles 9.1 to 9.13 as it thinks fit, either after calling for submissions from affected Members or other persons or without calling for such submissions;
 - 9.4.4 determine that the voting rights attached to such number of shares held by such persons as the Board may determine to be held, or in which such persons are or may be interested, in breach of these Articles (for purposes of Articles 9.1 to 9.13, "**Excess Shares**") are from a particular time incapable of being exercised for a definite or indefinite period;
 - 9.4.5 determine that some or all of the Excess Shares must be sold;
 - 9.4.6 determine that some or all of the Excess Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; and
 - (a) take such other action as it thinks fit for the purposes of Articles 9.1 to 9.13 including:
 - (b) prescribing rules (not inconsistent with Articles 9.1 to 9.13);
 - (c) settling deadlines for the provision of information;
 - (d) drawing adverse inferences where information requested is not provided;
 - (e) making determinations or interim determinations;
 - (f) executing documents on behalf of a Member;
 - (g) converting any Excess Shares held in uncertificated form into certificated form, or vice-versa;
 - (h) paying costs and expenses out of proceeds of sale; and
 - (i) changing any decision or determination or rule previously made;
 - 9.4.7 suspend with immediate effect, with notification thereof being given to the non-compliant Offeror or (if different) the registered holders of the Shares in which they have an interest, all voting rights attributable to the shares in which the Board considers the non-compliant Offeror from time to time to have an interest ("**Right of Suspension**") subject to the following:
 - (a) any such Right of Suspension may, at the discretion of the Board, extend for any period until an offer pursuant to Article 9.1 is made (save that such

suspension shall in any event not survive beyond such time as the obligation to make a offer would have ceased to exist under the City Code); and

- (b) the Company may only exercise the Right of Suspension if a determination has been obtained from a Court that a breach of article 9.1 or article 9.2 has occurred and is continuing. The Company must act in accordance with such determination, including with respect to the remedies (if any) which the court (of competent jurisdiction in the country or place in which the Company is registered) requires or allows the Company to exercise.

9.5 An acquisition is a "Permitted Acquisition" if:

- 9.5.1 the Board consents to the acquisition (even if, in the absence of such consent, the acquisition would be a Prohibited Acquisition), or
- 9.5.2 the acquisition is made in accordance with the provisions of article 9.3; or
- 9.5.3 if the acquisition arises from repayment of a stock borrowing arrangement (on arm's length commercial terms).
- 9.5.4 a person breaches a Limit only as a result of the circumstances referred to in article 9.10.

9.6 An acquisition is a "Prohibited Acquisition" if Rules 4, 5, 6 or 8 of the City Code, would in whole or part apply to the acquisition if the Company was subject to the City Code and the acquisition was made (or, if not yet made, would if and when made be) in breach of or otherwise not comply with Rules 4, 5, 6 or 8 of the City Code.

9.7 Any determination regarding the percentage of voting rights attributable to the shares in Articles 9.1 to 9.13 will be made by the Board after allowing for any shares in which a person (together with any person with persons determined by the Board to be acting in concert with him) holds an interest and in respect of which such person has given an undertaking to the Company not to exercise such voting rights or to exercise them in a certain manner.

9.8 The Board has full authority to determine the application of Articles 9.1 to 9.13, including as to the deemed application of the whole or any part of the City Code. Such authority shall include all discretion vested in the Panel as if the whole or any part of the City Code applied including, without limitation, the determination of conditions and consents, the consideration to be offered and any restrictions on the exercise of control. Any resolution or determination of, or decision or exercise of any discretion or power by, the Board or any Director or by the chairman of any meeting acting in good faith under or pursuant to the provisions of Articles 9.1 to 9.13 shall be final and conclusive; and anything done by, or on behalf of, or on the authority of, the Board or any Director acting in good faith pursuant to the provisions of Articles 9.1 to 9.13 shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise on any ground whatsoever. The Board shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with Articles 9.1 to 9.13.

9.9 Any one or more of the Directors may act as the attorney(s) of any Member in relation to the execution of documents and other actions to be taken for the sale of Excess Shares determined by the Board under Articles 9.1 to 9.13.

9.10 If, as a consequence of the Company redeeming or purchasing its own Shares is a resulting increase in the percentage of the voting rights attributable to the Shares held by a person or

persons determined by the Board to be acting in concert and such an increase would constitute a breach of any Limit, such an increase shall be deemed a Permitted Acquisition.

- 9.11 If a director is affiliated with any offeror under this article, he or she shall forthwith vacate his or her office if his or her resignation is requested by notice tendered at a meeting of the Board by all other directors who are not so affiliated. For purposes hereof, like notices signed by each such director shall be effective as a single notice signed by all such directors.
- 9.12 If any provision of Articles 9.1 to 9.13 or any part of any such provision is held under any circumstances to be invalid or unenforceable in any jurisdiction, then (a) such provision or part thereof shall, with respect to such circumstances and in such jurisdiction, be deemed amended to conform to applicable laws so as to be valid and enforceable to the fullest possible extent, (b) the invalidity or unenforceability of such provision or part thereof under such circumstances and in such jurisdiction shall not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction, and (c) the invalidity or unenforceability of such provision or part thereof shall not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of Articles 9.1 to 9.13 each provision of Articles 9.1 to 9.13 is separable from every other provision, and each part of each provision of Articles 9.1 to 9.13 is separable from every other part of such provisions.
- 9.13 Articles 9.1 to 9.13 shall only have effect during such times as the City Code does not apply to the Company.
- 9.14 If, as a result of any offer, whether as a result of Article 9.2 or otherwise, (a "**Takeover Offer**") to acquire all the shares, or all the shares of any class or classes, of the Company (other than shares which at the date of the offer are already held by the offeror or persons acting in concert with him) being an offer on terms which are the same in relation to all the shares to which the Takeover Offer relates or, where those shares include shares of different classes, in relation to all the shares of each class, the offeror (alone or together with persons acting in concert with him) by virtue of acceptances of the Takeover Offer has acquired or contracted to acquire not less than nine-tenths in value of the shares to which the Takeover Offer relates, he may give written notice to the holders of any shares to which the Takeover Offer relates which the offeror has not acquired or contracted to acquire that he desires to acquire those shares.
- 9.15 No notice shall be given under Article 9.14 following the end of the period of two months beginning with the date on which the offeror (alone or together with persons acting in concert with him) has acquired or contracted to acquire shares which satisfy the minimum specified in that article.
- 9.16 A notice given under Article 9.14 shall specify the date upon which the acquisition of the shares to which it relates shall complete and the consideration per share that shall be paid to the relevant shareholder.
- 9.17 Following service of a written notice in accordance with Article 9.14, the offeror shall be entitled and bound to acquire the shares to which the notice relates on the terms of the Takeover Offer and the notice. If any shareholder upon whom a written notice has been validly served pursuant to Article 9.14 shall fail to transfer the shares referred to in the Takeover Offer, the Directors may authorise any individual to execute on behalf of and as attorney for such shareholder any necessary instruments of transfer and shall register the offeror (or as he shall direct) as the holder of the shares. The Company's receipt of the purchase consideration shall be a good discharge to the offeror, and the Company shall thereafter hold the same on trust for the relevant shareholder (without any requirement to account for interest thereon). After the name of the offeror has been entered into the register

of members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

10. **LIEN**

- 10.1 The Company shall have a first and paramount lien (extending to all dividends payable) on all shares (not being fully paid) for all moneys whether presently payable or not called or payable at a fixed time in respect of those shares and for all the debts and liabilities of the holder to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person (other than such holder) and whether the time for payment or discharge shall have arrived or not and notwithstanding that the same are joint debts or liabilities of such holder and any other person (whether a Member or not).
- 10.2 For the purpose of enforcing such lien, the Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been served on the holder for the time being of the shares or the person entitled by reason of his death or bankruptcy to the shares. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer to the purchaser thereof the shares so sold.
- 10.3 The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. The purchaser shall be registered as the holder of the shares so transferred 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 relation to the sale.

11. **CALLS ON SHARES**

- 11.1 The Board may at any time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value or by way of premium and not by the conditions of allotment made payable at fixed times) and each Member shall pay to the Company at the time and place appointed the amount called. A call may be revoked or postponed.
- 11.2 Joint holders shall be jointly and severally liable to pay calls.
- 11.3 If a sum called in respect of a share is not paid before or on the day appointed the person from whom the sum is due shall pay interest from the day appointed to the time of actual payment at such rate (not exceeding 15 per cent per annum) as the Board may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.
- 11.4 Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in the 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.

11.5 Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him beyond the sums actually called up thereon as payment in advance of calls, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may (until the same would, but for such advance, become presently payable) pay interest at such rate as the Member paying such sum and the Directors agree upon **PROVIDED THAT** any amount paid up in advance of calls shall not entitle the holder of the shares upon which such amount is paid to participate in respect thereof in any dividend until the same would but for such advance become presently payable.

11.6 The Board may on an issue of shares differentiate between holders as to amount of calls and times of payment.

12. **FORFEITURE AND SURRENDER OF SHARES**

12.1 If a Member fails to pay any call or instalment on the day appointed, the Board may at any time during such period as any part remains unpaid serve notice requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and any expenses which may have been incurred by the Company by reason of non-payment.

12.2 The notice shall state a further day on or before which the payment required by the notice is to be made and the place where the payment is to be made and that in the event of non-payment the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. If the requirements of any such notice are not complied with any share in respect of which the notice has been given may at any time before payment has been made be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.

12.3 Notice of forfeiture shall forthwith be given to the former holder and an entry of such notice and forfeiture shall forthwith be made and dated in the Register opposite the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice or to make entry.

12.4 A forfeited share shall be deemed to be the property of the Company and may be sold re-allotted or otherwise disposed of on such terms as the Board shall think fit with or without all or any part of the amount previously paid on the share being credited as paid and at any time before a sale or disposition the forfeiture may be cancelled.

12.5 A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay to the Company all monies which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon from the date of forfeiture until payment at such rate (not exceeding 15 per cent per annum) as the Directors may determine and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture.

12.6 The Board may accept from any Member on such terms as shall be agreed a surrender of any shares in respect of which there is a liability for calls. Any surrendered share may be disposed of in the same manner as a forfeited share.

12.7 A declaration in writing by a Director or the Secretary that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on the date stated in the declaration shall

be conclusive evidence of the facts therein as against all persons claiming to be entitled to the shares.

- 12.8 The Company may receive the consideration given for any share on any sale or disposition and may execute a transfer of the share in favour of the person to whom the same is sold or disposed of and he shall thereupon be registered as the holder and shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity or invalidity in forfeiture sale re-allotment or disposal.

13. **TRANSFER AND TRANSMISSION OF SHARES**

- 13.1 The Directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. Where they do so, the provisions of this Article 13 shall commence to have effect immediately prior to the time at which Euroclear admits the class to settlement by means of the CREST UK system.

- 13.2 In relation to any class of shares which, for the time being, Euroclear has admitted to settlement by means of the CREST UK system, and for so long as such class remains so admitted, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

13.2.1 the holding of shares of that class in Uncertificated form;

13.2.2 the transfer of title to shares of that class by means of the CREST UK system; or

13.2.3 the CREST Guernsey Requirements.

- 13.3 Without prejudice to the generality of Article 13.2 and notwithstanding anything contained in these Articles where any class of shares is, for the time being, admitted to settlement by means of the CREST UK system:

13.3.1 such securities may be issued in Uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements;

13.3.2 unless the Directors otherwise determine, such securities held by the same holder or joint holder in Certificated form and Uncertificated form shall be treated as separate holdings;

13.3.3 such securities may be changed from Uncertificated to Certificated form, and from Certificated to Uncertificated form, in accordance with and subject as provided in the CREST Guernsey Requirements;

13.3.4 title to such of the shares as are recorded on the register as being held in Uncertificated form may be transferred only by means of the CREST UK system and as provided in the CREST Guernsey Requirements and accordingly (and in particular) no provision of these Articles shall apply in respect of such shares to the extent that those Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a certificate for the security to be transferred;

13.3.5 the Company shall comply in all respects with the CREST Guernsey Requirements including, without limitation, CREST Rules 21 and 22;

- 13.3.6 no provision of these Articles shall apply so as to require the Company to issue a certificate to any person holding such shares in Uncertificated form;
- 13.3.7 the permitted number of joint holders of a share shall be four;
- 13.3.8 every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed. Accordingly, each CREST member who is for the time being registered as the holder of any shares in the capital of the Company shall hold such shares upon trust for himself and for those persons (if any) whose CREST accounts are duly credited with any such shares or in favour of whom shares are to be withdrawn from Euroclear pursuant to a settled stock withdrawal instruction; and the CREST member and all such persons, to the extent respectively of the shares duly credited to their respective CREST accounts or the subject of a settled stock withdrawal instruction, shall accordingly have beneficial interests therein.
- 13.3.9 Where a Dematerialised Instruction is expressed to have been sent on behalf of a person by a Sponsor or by Euroclear:
- (a) the person on whose behalf the instruction is expressed to have been sent shall not be able to deny to the addressee (1) that the instruction was sent with his authority or (2) that the information contained in it is correct; and
 - (b) the Sponsor or Euroclear, as the case may be, shall not be able to deny to the addressee (1) that he had authority to send the Dematerialised Instruction or (2) that he had sent the Dematerialised Instruction.
- 13.3.10 Where a Dematerialised Instruction is expressed to have been sent by a person, and it is not expressed to have been sent on behalf of another person, the first person shall not be allowed to deny to the addressee:
- (a) that the information contained in the instruction is correct; or
 - (b) that he has sent it.
- 13.3.11 An addressee who receives a Dematerialised Instruction (whether directly, or by means of the facilities of a Sponsor acting on his behalf) may (subject to Articles 13.3.12 and 13.3.13 accept that at the time when it was sent:
- (a) the information contained in the instruction was correct;
 - (b) the user or authorised operator identified in the instruction as having sent the instruction did send it; and
 - (c) if the instruction was expressed to have been sent on behalf of a person, it was sent with the authority of that person.
- 13.3.12 An addressee shall not be allowed to accept any of the matters specified in Article 13.3.11 where, at the time when he received the Dematerialised Instruction, he was a person who was not either the Company or a Sponsor receiving (in either case) Dematerialised Instructions on behalf of the Company, and he had actual notice:
- (a) that any information contained in it was incorrect;

- (b) that the user or Euroclear expressed to have sent the instruction did not send it;
or
- (c) if the instruction was expressed to have been sent on behalf of a person, that the person had not given to Euroclear or the Sponsor identified in the instruction as having sent it his authority to send the instruction on his behalf.

13.3.13 An addressee shall not be allowed to accept any of the matters specified in Article 13.3.11 where, at the time when he received the Dematerialised Instruction, he was either the Company or a Sponsor receiving Dematerialised Instructions on behalf of the Company, and:

- (a) he had actual notice from Euroclear of any of the matters specified in 13.3.12; and
- (b) the instruction was an instruction from Euroclear requiring the registration of title in the circumstances specified in any of sub-paragraphs 8.1.1, 8.1.2, 8.1.3 and 8.1.4 of the CREST Guernsey Requirements.

13.3.14 However, where an addressee has received actual notice of a kind to which this Article refers in respect of a properly authenticated Dematerialised Instruction, he may accept the matters specified in Article 13.3.11 if at the time when he received the actual notice it was not practicable for him to halt his processing of the instruction.

13.3.15 A person who is permitted by Articles 13.3.11 and 13.3.14 to accept any matter shall not be liable in damages or otherwise to any person by reason of his having relied on the matter that he was permitted to accept.

13.3.16 Except as provided in Article 13.3.15, this sub-paragraph does not affect any liability of a person for causing or permitting a Dematerialised Instruction:

- (a) to be sent without authority;
- (b) to contain information that is incorrect; or
- (c) to be expressed to have been sent by a person who did not send it.

13.4 Articles 13.3.11 to 13.3.16 are to be construed in accordance with the CREST Manual.

13.5 Words and expressions not specifically defined in this Article shall bear the same meaning as those words and expressions defined in the CREST Manual.

13.6 Subject to such of the restrictions of these Articles as may be applicable:

13.6.1 any Member may transfer all or any of his Uncertificated shares by means of a relevant system authorised by the Board in such manner provided for, and subject as provided, in any regulations issued for this purpose under the Laws or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any relevant system and accordingly no provision of these Articles shall apply in respect of an Uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred;

- 13.6.2 any Member may transfer all or any of his Certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve; and
- 13.6.3 an instrument of transfer of a Certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a Certificated share need not be under seal.
- 13.7 Every instrument of transfer of a Certificated share shall be left at the Office or such other place as the Board may prescribe with the certificate of every share to be transferred and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the shares; and the transfer and certificate (if any) shall remain in the custody of the Board but shall be at all reasonable times produced at the request and expense of the transferor or transferee or their respective representatives. A new certificate shall be delivered free of charge to the transferee after the transfer is completed and registered on his application and when necessary a balance certificate shall be delivered if required by him in writing.
- 13.8 The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share in Certificated form or Uncertificated form (subject to paragraph 13.9 below) which is not fully paid or on which the Company has a lien provided, in the case of a listed share that this would not prevent dealings in the share from taking place on an open and proper basis on the London Stock Exchange. In addition, subject to paragraph 13.9 below, the Directors may refuse to register a transfer of shares unless:
- 13.8.1 it is in respect of only one class of shares;
- 13.8.2 it is in favour of a single transferee or not more than 4 joint transferees;
- 13.8.3 it is delivered for registration to the Office or such other place as the Board may decide, accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so; and
- 13.8.4 the transfer is not in favour of any Non-Qualified Holder.
- 13.9 The Board may only decline to register a transfer of an Uncertificated share in the circumstances provided for in these Articles or as set out in regulations issued for this purpose under the Laws or such as may otherwise from time to time be adopted by the Board on behalf of the Company and of the listing rules made by the FSA, the AIM Rules, and the CREST Rules, as applicable, and where, in the case of a transfer to joint holders, the number of joint holders to whom the Uncertificated share is to be transferred exceeds 4.
- 13.10 If the Board refuses to register the transfer of a share it shall, within 2 months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.
- 13.11 The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any one year) as the Board may decide and either generally or in respect of a particular class of share except that, in respect of any shares which are participating securities, the Register shall not be closed without the consent of Euroclear.
- 13.12 No fee shall be payable to the Company in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, instruction or other document relating to or affecting the title to any shares.

- 13.13 On the death of a Member, the survivors where the deceased was a joint holder and the executor or administrator of the deceased where he was a sole holder shall be the only persons recognised by the Company as having any title to or interest in his shares; but nothing herein shall release the estate of a deceased joint holder from any liability in respect of any share jointly held.
- 13.14 A person so becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a Member or otherwise by operation of law (subject as hereinafter provided), upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, shall have the right to receive and may give a discharge for all dividends and other money payable or other advantages due on or in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company, or save as aforesaid, to any of the rights or privileges of a Member unless and until he shall be registered as a Member in respect of the share PROVIDED ALWAYS that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 days the Board may thereafter withhold all dividends or other monies payable or other advantages due in respect of the share until the requirements of the notice have been complied with.

14. **ALTERATION OF CAPITAL**

- 14.1 The Company at any time may by ordinary resolution increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.
- 14.2 Subject to the terms and rights attaching to the Shares and these Articles, any new shares shall be of such class and amount and have such preference or priority as regards dividends or in the distribution of assets or as to voting or otherwise over any other shares of any class whether then issued or not or be subject to such stipulations deferring them to any other shares with regard to dividends or in the distribution of the assets as the Board may determine.
- 14.3 Subject as provided elsewhere in these Articles, the Company may by ordinary resolution:
- 14.3.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - 14.3.2 subdivide all or any of its shares into shares of smaller amount than is fixed by the Memorandum so however that in subdivision the proportion between the amount paid and the amount if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that the resolution whereby any share is subdivided may determine that as between the holders of the shares resulting from subdivision one or more of the shares may have such preferred deferred or other rights over the others as the Company has power to attach to unissued or new shares;
 - 14.3.3 cancel any shares which at the date of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled;
 - 14.3.4 convert all or any of its fully paid shares into stock and reconvert that stock into paid-up shares of any denomination; and
 - 14.3.5 convert all or any of its fully paid shares the nominal amount of which is expressed in a particular currency into fully paid shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less

than 3 significant figures) current on the date of the resolution or on such other date as may be specified therein.

- 14.4 The Board on any consolidation of shares may deal with fractions of shares in any manner.
- 14.5 The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner for the time being permitted by the Laws.

15. **GENERAL MEETINGS**

- 15.1 The first general meeting (being an annual general meeting) of the Company shall be held within such time as may be required by the Laws and thereafter general meetings (which are annual general meetings) shall be held once at least in each subsequent calendar year. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. General meetings shall be held in Guernsey or such other place as may be determined by the Directors from time to time.
- 15.2 A Member shall not be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company unless all calls due from him in respect of that share have been paid.
- 15.3 A Member shall not, if the Directors so determine, be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such shares has failed to comply with a notice requiring the disclosure of Members' interests and given under the Articles within 14 days, in a case where the shares in question represent at least 0.25 per cent. of their class, or within 28 days, in any other case, from the date of such notice. The restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.
- 15.4 A Member participating by video link or telephone conference call or other electronic or telephonic means of communication in a meeting shall be treated as forming part of the quorum of that meeting provided that the Members present at the meeting can hear and speak to the participating Member.
- 15.5 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Members participates and all participants can hear and speak to each other shall be a valid meeting which shall be deemed to take place where the chairman is present unless the Members resolve otherwise.
- 15.6 Any general meeting convened by the Board, unless its time shall have been fixed by the Company in general meeting or unless convened in pursuance of a requisition may be postponed by the Board by notice in writing and the meeting shall, subject to any further postponement or adjournment, be held at the postponed date for the purpose of transacting the business covered by the original notice.
- 15.7 The Board may whenever it thinks fit and shall on the requisition in writing of one or more holders representing not less than one-tenth of the issued share capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an extraordinary general meeting.

- 15.8 The requisition shall be dated and shall state the object of the meeting and shall be signed by the requisitionists and deposited at the Office and may consist of several documents in like form each signed by one or more of the requisitionists.
- 15.9 If the Board does not proceed to cause a meeting to be held within 21 days from the date of the requisition being so deposited the requisitionists or a majority of them in value may themselves convene the meeting.
- 15.10 Any meeting convened by requisitionists shall be convened in the same manner (as nearly as possible) as that in which meetings are convened by the Board.

16. NOTICE OF GENERAL MEETINGS

- 16.1 Not less than 14 clear days notice specifying the time and place of any general meeting and specifying also in the case of any special business the general nature of the business to be transacted shall be given by notice sent by post or, subject to the Laws, be given by notice sent by means of electronic communication by the Secretary or other officer of the Company or any other person appointed in that behalf by the Board to such Members as are entitled to receive notices provided that with the consent in writing of all the Members entitled to receive notices of such meeting a meeting may be convened by a shorter notice or at no notice and in any manner they think fit. In every notice there shall appear a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a Member.
- 16.2 The accidental omission to give notice of any meeting to or the non-receipt of such notice by any Member shall not invalidate any resolution (or any proposed resolution otherwise duly approved) passed or proceeding at any meeting.

17. PROCEEDINGS AT GENERAL MEETINGS

- 17.1 The ordinary business of a general meeting shall be to receive and consider the profit and loss account and the balance sheet of the Company and the reports of the Directors and the Auditors, to elect Directors and appoint Auditors in the place of those retiring, to fix the remuneration of the Directors and Auditors, to sanction or declare dividends and to transact any other ordinary business which ought to be transacted at such meeting. All other business shall be deemed special and shall be subject to notice as hereinbefore provided.
- 17.2 The quorum for a general meeting shall be two Members present in person or by proxy.
- 17.3 If within five minutes from the time appointed for the meeting a quorum is not present, the meeting if convened by or upon a requisition shall be dissolved. If otherwise convened it shall stand adjourned to such day and at such time and place as the Board may determine and (subject to Article 17.5) no notice of adjournment need be given. On the resumption of an adjourned meeting, those Members present in person or by proxy shall constitute the quorum.
- 17.4 At any general meeting the Chairman of the Directors, failing whom a Deputy Chairman, failing whom any Director present and willing to act and, if more than one, chosen by the Directors present at the meeting, shall preside as chairman. If no Director is present within five minutes after the time appointed for holding the meeting and willing to act as chairman, the members present and entitled to vote shall choose one of their number to be chairman of the meeting.
- 17.5 The chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting at any time and to any place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the

meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

17.6 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special or Extraordinary Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

17.7 At any meeting, a resolution put to the vote shall be decided by a show of hands or by a poll at the option of the chairman. Nevertheless before or on the declaration of the result a poll may be demanded:

17.7.1 by the chairman; or

17.7.2 by one Member present in person or by proxy provided he represents at least one-tenth of the subscribed capital; or

17.7.3 by two Members present in person or by proxy.

The demand for a poll may be withdrawn.

17.8 Unless a poll be demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded.

17.9 A poll if demanded shall be taken at the meeting at which the same is demanded or at such other time and place as the chairman shall direct and the result shall be deemed the resolution of the meeting.

17.10 If a poll is duly demanded, it shall be taken in such manner and at such place as the chairman may direct (including the use of ballot or voting papers or tickets or electronic communication) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman may, in the event of a poll appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

17.11 A poll demanded on the election of a chairman and a poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman directs not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded.

17.12 In case of an equality of votes on a poll the chairman shall have a second or casting vote in addition to any other vote he may have.

18. **VOTES OF MEMBERS**

18.1 Subject to any special rights or restrictions for the time being attached to any class of share:

18.1.1 On a show of hands every Member present in person shall have one vote.

- 18.1.2 On a poll every Member present in person or by proxy shall have one vote for each share held by him.
- 18.2 Where there are joint registered holders of any share such persons shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the Register shall alone be entitled to vote.
- 18.3 Any Member being under any legal disability may vote by his curator or other legal guardian. Any of such persons may vote either personally or by proxy.
- 18.4 On a poll votes may be given either personally or by proxy and a Member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A proxy need not be a Member. An instrument of proxy may be valid for one or more meetings.
- 18.5 No Member shall be entitled to be present or take part in any proceedings or vote either personally or by proxy at any meeting unless all calls due from him have been paid. No Member shall be entitled to vote in respect of any shares unless he has been registered as their holder. For the purposes of determining which persons are entitled to attend or vote at a meeting and how many votes such person may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting.
- 18.6 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed shall be valid for all purposes. Any objection made in due time shall be referred to the chairman whose decision shall be final and binding.
- 18.7 Subject to the provisions of the Laws, the instrument appointing a proxy shall be in any common form or in such other form as the Board may approve and (i) if in writing, but not sent in electronic form, made under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, under its common seal or under the hand of an officer or attorney duly authorised in that behalf, or, (ii) if in writing sent in electronic form, submitted by or on behalf of the appointer and authenticated.
- 18.8 The Board may allow a proxy for any Member holding Uncertificated shares to be appointed by electronic communication in the form of an Uncertificated proxy instruction. The Board may also allow any supplement to the Uncertificated proxy instruction or any amendment or revocation of any Uncertificated proxy instruction to be made by a further Uncertificated proxy instruction.
- 18.9 The Board may also decide what method should be used to determine at what time the instruction or notification of a proxy is treated as being received by the Company. The Board may treat any notification purporting or expressed as being sent by a Member holding Uncertificated shares as sufficient evidence of the authority of the person sending the instruction to send it on behalf of that Member.
- 18.10 For the purposes of this Article 18, an Uncertificated proxy instruction is a properly authenticated dematerialised instruction, and/or other instruction or notification, sent through a relevant system, including the CREST UK System, to a participant in that system chosen by the Board to act for the Company. The Uncertificated proxy instruction may be in any form and subject to any terms and conditions that the Board deems appropriate, but always subject to the facilities and requirements of the relevant system.

- 18.11 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of that power or authority certified notarially or in some other way approved by the Board, shall:
- 18.11.1 in the case of an instrument in writing (including, whether or not the appointment of proxy is sent in electronic form, any such power of attorney or other authority) be deposited at the Office not less than 48 hours before the time of the holding of the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or
- 18.11.2 in the case of an appointment sent in electronic form, where an address has been specified for the purpose of receiving documents or information sent in electronic form:
- (a) in the notice convening the meeting; or
 - (b) in any instrument of proxy sent out by the Company in relation to the meeting; or
 - (c) in any invitation sent in electronic form to appoint a proxy issued by the Company in relation to the meeting,
- be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or
- 18.11.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- 18.11.4 in the case of a poll not taken forthwith but taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman of the meeting or any Director, the Secretary or some other person authorised for the purpose by the Company.
- 18.12 The instrument appointing a proxy may be in any form which the Board may approve and may include an instruction by the appointor to the proxy either to vote for or against any resolution to be put to the meeting.
- 18.13 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and shall be as valid for any adjournment as for the meeting to which it relates.
- 18.14 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or disability of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no intimation in writing of such death disability or revocation shall have been received by the Company at the Office before the commencement of the meeting or adjournment or the taking of the poll at which the proxy is used.
- 18.15 Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members or to approve any resolution submitted in writing and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Member.

19. **NUMBER AND APPOINTMENT OF DIRECTORS**

- 19.1 The first Directors of the Company shall be appointed by the subscribers to the Memorandum. Until otherwise determined by the Board, the number of Directors shall be not less than one and not more than seven.
- 19.2 The Board shall have power at any time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number (if any) fixed pursuant to these Articles.
- 19.3 At the first annual general meeting and at each annual general meeting thereafter: (a) any Director who was elected or last re-elected a Director at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation; and (b) such further Directors (if any) shall retire by rotation as would bring the number retiring by rotation up to one-third of the number of Director in office at the date of the notice of the meeting (or, if their number is not a multiple of three, the number nearest to but not greater than one-third).
- 19.4 No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless not less than 7 nor more than 42 clear days before the date appointed for the meeting there shall have been left at the Office notice in writing signed by a Member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected.
- 19.5 The Company at the meeting at which a Director retires in the manner aforesaid may fill the vacated office by appointing a person thereto by ordinary resolution and in default the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at such meeting it is expressly resolved not to fill the vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and lost. The Company at such meeting may also (subject to Article 19.2) fill up any other vacancies.
- 19.6 Without prejudice to the powers of the Board, the Company by ordinary resolution may appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these Articles. Any person so appointed by the Directors shall hold office only until the next annual general meeting and shall then be eligible for election.
- 19.7 At a general meeting a motion for the appointment of two or more persons as Directors of the Company by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

20. **QUALIFICATION AND REMUNERATION OF DIRECTORS**

- 20.1 A Director need not be a Member. A Director who is not a Member shall nevertheless be entitled to attend and speak at shareholders' meetings.
- 20.2 The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine provided that the aggregate amount paid to all Directors by way of fees shall not exceed £300,000 in any financial year, or such higher amount as may be determined from time to time by ordinary resolution of the Company. Any fees payable pursuant to these Articles shall be distinct from and shall not include any salary, remuneration for any executive office or other

amounts payable to a Director or any company through which the services of a Director are provided pursuant to any other provisions of these Articles and shall accrue from day to day. The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors, including expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company. If by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director, he may be paid such reasonable additional remuneration as the Board may determine.

- 20.3 If any Director having been requested by the Board shall render or perform extra or special services or shall travel or go to or reside in any country not his usual place of residence for any business or purpose of the Company he shall be entitled to receive such sum as the Board may think fit for expenses and also such remuneration as the Board may think fit either as a fixed sum or as a percentage of profits or otherwise and such remuneration may as the Board shall determine be either in addition to or in substitution for any other remuneration which he may be entitled to receive.
- 20.4 The Directors shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

21. ALTERNATE DIRECTORS

- 21.1 Any Director may by notice in writing under his hand served upon the Company or if sent in electronic form, received by the Secretary at the Office, appoint any person approved by the Board as an alternate Director to attend and vote in his place at any meeting of the Directors at which he is not personally present or to undertake and perform such duties and functions and to exercise such rights as he could personally and such appointment may be made generally or specifically or for any period or for any particular meeting and with and subject to any particular restrictions. Every such appointment shall be effective and the following provisions shall apply:
- 21.2 Every alternate Director while he holds office as such shall be entitled:
- 21.2.1 if his appointor so directs the Secretary, to notice of meetings of the Directors; and
- 21.2.2 to attend and to exercise (subject to any restrictions) all the rights and privileges of his appointor at all such meetings at which his appointor is not personally present and generally at such meetings to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meetings the provisions of these Articles shall apply as if he (instead of his appointor) were a Director.
- 21.3 Every alternate Director shall *ipso facto* vacate office if and when his appointment expires by effluxion of time or his appointor vacates office as a Director or removes the alternate Director from office as such by notice in writing under his hand served upon the Company.
- 21.4 No alternate Director shall be entitled as such to receive any remuneration from the Company but every alternate Director shall be entitled to be paid all reasonable expenses incurred in the exercise of his duties.
- 21.5 A Director may act as alternate Director for another Director and shall be entitled to vote for such other Director as well as on his own account but no Director shall at any meeting be

entitled to act as alternate Director for more than one other Director. He shall not be counted more than once for the purposes of the quorum.

- 21.6 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be indemnified to the same extent *mutatis mutandis* as if he were a Director.

22. **BORROWING POWERS OF THE BOARD**

- 22.1 The Board may exercise all the powers of the Company to borrow money and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking property or assets (present or future) and uncalled capital and, subject to the provision of the Laws, to issue debentures, loan stock and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

23. **OTHER POWERS AND DUTIES OF THE BOARD**

- 23.1 The business of the Company shall be managed by the Board who may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting subject nevertheless to these Articles and to the Laws and to such regulations as may be prescribed by the Company in general meeting but no regulation so made shall invalidate any prior act of the Board. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

- 23.2 The Board may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies and the Board may on behalf of the Company make such arrangements as it thinks advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing assisting or subsidising any such subsidiary company or guaranteeing its contracts obligations or liabilities.

- 23.3 The Board may establish any local boards or agencies for managing any of the affairs of the Company and may appoint any one or more of its number or any other persons to be members of such local Boards or any managers or agents and may fix their remuneration and may delegate to any local board manager or agent any of the powers authorities and discretion vested in the Board with power to sub-delegate and may authorise the members of any local board to fill any vacancies and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board may remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

- 23.4 The Board may at any time by power of attorney given under the hand of such person or persons duly authorised in that behalf appoint any person or any fluctuating body of persons whether nominated directly or indirectly by the Board to be the attorney of the Company for such purposes and with such powers and discretion and for such periods and subject to such conditions as the Board may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any attorney as the Board may think fit and may also authorise any attorney to sub-delegate all or any of his powers and discretion.

- 23.5 A Director who to his knowledge is in any way directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of his interest at a meeting of the Board. In the case of a proposed contract such disclosure shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if the Director was not at the date

of that meeting interested in the proposed contract or arrangement at the next meeting of the Board held after he became so interested. In a case where the Director becomes interested in a contract or arrangement after it is made, disclosure shall be made at the first meeting of the Board held after the Director becomes so interested. For the purpose of the foregoing a general notice given to the Board by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm shall be deemed to be a sufficient disclosure of interest if either it is given at a meeting of the Board or the Director takes reasonable steps to ensure that it is raised and read at the next meeting of the Board after it is given.

- 23.6 A Director may not vote (or be counted in the quorum) in respect of any resolution of the Directors (or committee of the Directors) concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him) is, to his knowledge, a material interest (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company) but, in the absence of some other material interest than is mentioned below, this prohibition does not apply to a resolution concerning any of the following matters:
- 23.6.1 the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
 - 23.6.2 the giving of a guarantee, security or indemnity 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, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
 - 23.6.3 a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - 23.6.4 a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a member of the Group) in which he (and any persons connected with him) is interested, directly or indirectly as an officer, creditor, shareholder or otherwise, if he does not to his knowledge hold an interest in shares representing one per cent. or more of either a class of the equity share capital (or of any third party company through which his interest is derived) or of the voting rights in the relevant company;
 - 23.6.5 any contract, arrangement, transaction or proposal relating to an arrangement for the benefit of the employees of the Company or its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to which such arrangement relates concerning the adoption, modification or operation of a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme under which he may benefit and which either has been approved by or is subject to and conditional on approval by the Board of Inland Revenue of the United Kingdom for taxation purposes or relates to both employees and Directors of the Company (or any of its subsidiaries) and does not accord to any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates; and

- 23.6.6 a contract, arrangement, transaction or proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.
- 23.7 For the purposes of this Article a person shall be treated as being connected with a Director if that person is:
- 23.7.1 a spouse, child (under the age of eighteen) or step child (under the age of eighteen) of the Director; or
- 23.7.2 an associated body corporate which is a company in which the Director alone, or with connected persons, is directly or indirectly beneficially interested in 20% or more of the nominal value of the equity share capital or is entitled (alone or with connected persons) to exercise or control the exercise of more than 20% of the voting power at general meetings; or
- 23.7.3 a trustee (acting in that capacity) of any trust, the beneficiaries of which include the Director or persons falling within Articles 23.7.1 or 23.7.2 above excluding trustees of an employees' share scheme or pension scheme; or
- 23.7.4 a partner (acting in that capacity) of the Director or persons described in Articles 23.7.1 to 23.7.3 above.
- 23.8 A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company, or whereat the terms of any such appointment are arranged or whereat any contract in which he is interested is considered, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof. Where proposals are under consideration concerning the appointment (including without limitation fixing or varying the terms of appointment or its termination) of 2 or more Directors to offices or places of profit with the Company or a company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under these provisions) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 23.9 A Director may hold any other office or place of profit under the Company (other than Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- 23.10 Any Director may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- 23.11 Any Director may continue to be or become a director, managing director, manager or other officer or member of any company promoted by the Company or in which the Company may be interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him as a director, managing director, manager or

other officer or member of any such company. 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, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to themselves as directors, managing directors, managers or other officers of such company) and any Director of the Company may vote in favour of the exercise of such voting rights in the manner aforesaid, notwithstanding that he may be or be about to be appointed a director, managing director, manager or other officer of such other company, and as such is or may become interested in the exercise of such voting rights in the manner aforesaid.

23.12 If a question arises at any time as to the materiality of a Director's interest or as to his entitlement 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 Director other than himself shall be final and conclusive except in a case where the nature or extent of the interest of such Director has not been fairly disclosed.

23.13 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed in such manner as the Board shall at any time determine.

23.14 The Board shall cause minutes to be made in books provided for the purpose:

23.14.1 of all appointments of officers;

23.14.2 of the names of the Directors present at each meeting of the Board and of any committee;

23.14.3 of all resolutions and proceedings at meetings of the Company and meetings of the Board and of committees.

Any such minutes if purporting to be signed by the chairman of the meeting at which the proceedings took place, or by the chairman of the next succeeding meeting, shall be evidence of their proceedings.

23.15 A register of Directors' interests in shares shall be kept at the Office and shall be open to the inspection of any Member or holder of debentures of the Company between the hours of 10:00 a.m. and noon for a period beginning 14 days before and ending 3 days after the annual general meeting. The said register shall also be produced at the commencement of each annual general meeting and shall remain open and accessible during the continuance of the meeting to any person attending the meeting.

24. **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

24.1 The office of a Director shall *ipso facto* be vacated:

24.1.1 if he (not being a person holding for a fixed term an executive office subject to termination if he ceases from any cause to be a Director) resigns his office by written notice signed by him sent to or deposited at the Office or, if sent in electronic form, received by the Secretary at the Office or tendered at the Board meeting;

24.1.2 if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the

Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated;

24.1.3 if he becomes bankrupt, insolvent, suspends payment or compounds with his creditors;

24.1.4 if he is requested to resign by written notice signed by all his co-Directors;

24.1.5 if the Company by ordinary resolution shall declare that he shall cease to be a Director;

24.1.6 if he shall become prohibited by law from acting as a Director;

PROVIDED THAT there shall be no age limit for retirement.

24.2 If the Company by ordinary resolution removes any Director before the expiration of his period of office it may by an ordinary resolution appoint another person to be a Director in his stead who shall retain his office so long only as the Director in whose stead he is appointed would have held the same if he had not been removed. Such removal shall be without prejudice to any claims such Director may have for damages for breach of any contract of service between him and the Company.

25. **PROCEEDINGS OF DIRECTORS**

25.1 The Board may meet for the despatch of business adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman at the meeting shall not have a second or casting vote.

25.2 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Directors participates and all participants can hear and speak to each other shall be a valid meeting.

25.3 The Board shall also determine the notice necessary for its meetings and the persons to whom such notice shall be given.

25.4 A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretion exercisable by the Board.

25.5 The continuing Directors may act notwithstanding any vacancy but if and so long as their number is reduced below the minimum number fixed pursuant to these Articles the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting but for no other purpose. If there be no Directors able or willing to act then any Member may summon a general meeting for the purpose of appointing Directors.

25.6 The Board may elect one of their number as chairman of their meetings and determine the period for which he is to hold office. If no such chairman be elected or if at any meeting the chairman be not present within five minutes after the time appointed for holding the same the Directors present may choose one of their number to be chairman of the meeting.

25.7 The Board may delegate any of their powers to committees consisting of such one or more Directors as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.

25.8 The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two. For the purposes of this Article an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.

25.9 A resolution in writing signed by each Director (or his alternate) entitled to receive notice of a meeting of the Board or by all the members of a committee shall be as valid and effectual as a resolution passed at a meeting of the Board or committee. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee and may be transmitted to the Company by facsimile.

26. **EXECUTIVE DIRECTOR**

26.1 The Board may at any time appoint one or more of their body to be holder of any executive office including the office of managing Director on such terms and for such periods as they may determine.

26.2 The appointment of any Director to any executive office shall be subject to termination if he ceases from any cause to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

26.3 The Board may entrust to and confer upon a Director holding any executive office any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as it thinks fit either collaterally with or to the exclusion of their own powers and may at any time revoke withdraw alter or vary all or any of such powers.

27. **SECRETARY**

27.1 The Secretary shall be appointed (and may be removed) by the Board. Anything required or authorised to be done by or to the Secretary, may, if the office is vacant or there is for any other reason no Secretary capable of acting be done by or to any Assistant or Deputy Secretary or if there is no Assistant or Deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors PROVIDED THAT any provisions of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

27.2 No person shall be appointed or hold office as Secretary who is:

27.2.1 the sole Director of the Company, or

27.2.2 a corporation the sole Director of which is the sole Director of the Company, or

27.2.3 the sole Director of a corporation which is the sole Director of the Company.

28. **THE SEAL**

28.1 The Company may have a common seal (the "**Seal**") and if the Directors resolve to adopt a Seal the following provisions shall apply.

28.2 The Seal shall have the Company's name engraved on it in legible letters.

28.3 The Directors shall provide for the safe custody of the Seal, which shall only be used pursuant to a resolution passed at a meeting of the Directors, or a committee of the Directors authorised to use the Seal, and in the presence either of two Directors or of one Director and the

Secretary or of such person or persons as the Directors may from time to time appoint, and such person or persons, as the case may be, shall sign every instrument to which the Seal is affixed.

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

29. **AUTHENTICATION OF DOCUMENTS**

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the Company (including the Memorandum and these Articles) and any resolutions passed by the Company or the Board and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having their custody shall be deemed to be a person appointed by the Board as aforesaid.

30. **DIVIDENDS**

- 30.1 The Company may by ordinary resolution declare dividends but no dividend shall exceed the amount recommended by the Board.
- 30.2 No dividend shall be paid otherwise than out of the profits of the business of the Company.
- 30.3 Subject to Article 6, unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid.
- 30.4 The Board may at any time declare and pay such interim dividends as appear to be justified by the position of the Company and such dividends may be declared in any currency.
- 30.5 Subject to the Laws, where any asset, business or property is bought by the Company as from a past date whether such date be before or after the incorporation of the Company profits and losses as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits and losses of the Company. Subject as aforesaid if any shares or securities are purchased cum dividend or interest such dividend or interest may at the discretion of the Board be treated as revenue and it shall not be obligatory to capitalise all or part of the same.
- 30.6 The Board may deduct from any dividend payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
- 30.7 The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.
- 30.8 The Board may retain dividends payable upon shares in respect of which any person is entitled to become a Member until such person has become a Member.
- 30.9 Any dividend or other moneys payable on or in respect of a share shall be paid to the Member or to such other person as the Member (or, in the case of joint holders of a share, all of them) may in writing direct. Such dividend or other moneys may be paid (i) by cheque sent by post

to the payee or, where there is more than one payee, to any one of them, or (ii) by inter-bank transfer to such account as the payee or payees shall in writing direct, or (iii) (if so authorised by the holder of shares in Uncertificated form) using the facilities of the CREST UK System (subject to the facilities and requirements of the CREST UK System), or (iv) by such other method, including by electronic media, of payment as the Member (or in the case of joint holders of a share, all of them) may agree to. Every such cheque shall be sent at the risk of the person or persons entitled to the money represented thereby, and payment of a cheque by the banker upon whom it is drawn, and any transfer or payment within (ii), (iii) or (iv) above, shall be a good discharge to the Company.

- 30.10 No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
- 30.11 All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having been declared or became due for payment shall be forfeited and shall revert to the Company.
- 30.12 Subject to the provisions of these Articles and to the rights attaching to any shares, any dividend or other moneys payable on or in respect of a share may be paid in such currency as the Directors may determine, using such exchange rate for currency conversions as the Directors may select.
- 30.13 The Company may cease to send any cheque, warrant or order by post for any dividend on any shares which is normally paid in that manner if in respect of at least two consecutive dividends payable on those shares the cheque, warrant or order has been returned undelivered or remains uncashed but, subject to the provisions of these Articles, shall recommence sending cheques, warrants or orders in respect of the dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.
- 30.14 If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, any one of them may give effectual receipts for any dividend or other moneys payable or properly distributable on or in respect of the share.
- 30.15 Any resolution for the declaration or payment of a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares.
- 30.16 The waiver in whole or in part of any dividend on any share shall be effective only if such waiver is in writing signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder or otherwise by operation of law) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
- 30.17 With the authority of an ordinary resolution of the Company and on the recommendation of the Board, payment of any dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company. Where any difficulty arises with the distribution, the Board may settle the difficulty as it thinks fit and, in particular, may issue fractional certificates (or ignore fractions), fix the value for

distribution of the specific assets or any part of them, determine that cash payments be made to any Members on the basis of the value so fixed in order to secure equality of distribution and vest any of the specific assets in trustees on such trusts for the persons entitled to the dividend as the Board may think fit.

- 30.18 The Board may, with the authority of an ordinary resolution of the Company, offer any holders of any particular class of shares the right to elect to receive further shares of that class, credited as fully paid, instead of cash in respect of all (or some part) of any dividend specified by the ordinary resolution (as “scrip dividend”) in accordance with the following provisions:-
- 30.18.1 The ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period but such period may not end later than five years after the date of the meeting at which the ordinary resolution is passed;
- 30.18.2 The basis of allotment shall be decided by the Board so that, as nearly as may be considered convenient, the value of the further shares, including any fractional entitlement, is equal to the amount of the cash dividend which would otherwise have been paid;
- 30.18.3 For the purposes of Article 30.17, the value of the further shares shall be:
- (a) equal to the average middle-market quotation for a fully paid share of the relevant class, adjusted if necessary for the proposed dividend, as shown on the official list of AIM or as established from such other source as the Board considers appropriate for the five business days immediately preceding or following the announcement of the cash dividend to which the scrip dividend relates, as the Board may decide; or
 - (b) calculated in such manner as may be determined by or in accordance with the ordinary resolution;
- 30.18.4 The Board shall give notice to the holders of shares of their rights of election in respect of the scrip dividend and shall specify the procedure to be followed in order to make an election;
- 30.18.5 The dividend or that part of it in respect of which an election for the scrip dividend is made shall not be paid and instead further shares of the relevant class shall be allotted in accordance with elections duly made and the Board shall capitalise a sum equal to the value of the shares to be allotted (as determined for the basis of any scrip dividend) out of such sums available for the purpose as the Board may consider appropriate;
- 30.18.6 The further shares so allotted shall rank *pari passu* in all respects with the fully paid shares of the same class then in issue except as regards participation in the relevant dividend;
- 30.18.7 The Board may decide that the right to elect for any scrip dividend shall not be made available to Members resident in any territory where, in the opinion of the Board, compliance with local laws or regulations would be unduly onerous;
- 30.18.8 The Board may do all acts and things as it considers necessary or expedient to give effect to the provisions of a scrip dividend election and the issue of any shares in accordance with the provisions of this Article 30.18, and may make

such provisions as it things fit for the case of shares becoming distributable in fractions (including provisions under which, in whole or in part, the benefit of fractional entitlements accrues to the Company rather than to the members concerned). To the extent that the entitlement of any holder of shares in respect of any dividend is less than the value of one new share of the relevant class (as determined for the basis of any scrip dividend) the Board may also from time to time establish or vary a procedure for such entitlement to be accrued and aggregated with any similar entitlement for the purposes of any subsequent scrip dividend;

30.18.9 The Board may from time to time establish or vary a procedure for election mandates, under which a holder of shares may, in respect of any further dividends for which a right of election pursuant to this article is offered, elect to receive shares in lieu of such dividend on the terms of such mandate;

30.18.10 The Board shall not make a scrip dividend available unless the Company has sufficient unissued shares and undistributed profits or reserves to give effect to elections which could be made to receive that scrip dividend.

31. **SHARE PREMIUM AND RESERVES**

31.1 The Directors shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

31.2 The Company shall at all times comply with the provisions of the Laws in relation to the share premium account and the premiums attaching to the Shares.

31.3 The Board may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Board, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Board 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. The Board may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Laws.

31.4 The Board may establish a capital reserve (the “**capital reserve**”) and either carry to the credit of the capital reserve or apply in providing for depreciation or contingencies all capital appreciation arising on the sale, realisation, transposition, repayment or revaluation of any investments or other capital assets of the Company in excess of the book value thereof. Any loss realised on the sale, realisation, transposition, repayment or revaluation of any investments or other capital assets and any other sum incurred in connection with the assets of the Company, which in the opinion of the Board is reasonably and fairly apportioned to capital, may be carried to the debit of the capital reserve except in so far as the Board may in their discretion decide to make good the same out of other reserves of the Company. All sums carried and standing to the credit of the capital reserve may be applied for any of the purposes to which sums standing to any reserve are applicable. The Board may, subject to applicable legislation and practice, determine whether any amount received by the Company is to be dealt with as income or capital or partly one and partly the other.

31.5 The Company may create such other distributable reserves or other reserves out of profit or capital or reserves as is permissible under the Companies Law.

32. CAPITALISATION OF PROFITS

- 32.1 The Company by ordinary resolution may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that the sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any Shares held by such Members respectively or paying up in full unissued Shares of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other, but the share premium account and the capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued Shares to be issued to Members as fully paid bonus Shares.
- 32.2 Whenever such a resolution as aforesaid shall have been passed the Directors shall make all the appropriations and applications of the profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any, and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of Shares becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing Shares, and any agreement made under such authority shall be effective and binding on all such Members.

33. RESERVES

- 33.1 The Board may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Board, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Board 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. The Board may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Laws.

34. ACCOUNTS

- 34.1 The Board shall cause proper books of account to be kept with respect to all the transactions assets and liabilities of the Company in accordance with the Laws.
- 34.2 The books of account shall be kept at the Office or at such other place as the Board shall think fit and shall at all times be open to the inspection of the Directors but no person other than a Director or Auditor or other person whose duty requires and entitles him to do so shall be entitled to inspect the books accounts and documents of the Company except as provided by the Laws or authorised by the Board or by the Company in general meeting.
- 34.3 A balance sheet shall be laid before the Company at its annual general meeting and such balance sheet shall contain a general summary of the assets and liabilities of the Company. The balance sheet shall be accompanied by a report of the Directors as to the state of the

Company as to the amount (if any) which they recommend to be paid by way of dividend and the amount (if any) which they have carried or propose to carry to reserve. The Auditors' report shall be attached to the balance sheet or there shall be inserted at the foot of the balance sheet a reference to the report.

34.4 A copy of every balance sheet and of all documents annexed thereto including the reports of the Directors and the Auditors shall at least 14 clear days before the date of the meeting be delivered or sent by post to each of the registered holders and to the Auditors. Any holder may by written notice served on the Company waive this requirement.

35. **AUDITORS**

35.1 A Director shall not be capable of being appointed as an Auditor.

35.2 A person other than a retiring Auditor shall not be capable of being appointed Auditor at an ordinary general meeting unless notice of intention to nominate that person as Auditor has been given by a Member to the Company not less than 14 days before the meeting and the Board shall send a copy of any such notice to the retiring Auditor and shall give notice to the Members not less than 7 days before the meeting provided that if after notice of the intention to nominate an Auditor has been so given a meeting is called for a date 14 days or less after such notice has been given the requirements of this provision as to time in respect of such notice shall be deemed to have been satisfied and the notice to be sent or given by the Company may instead of being sent or given within the time required by this Article be sent or given at the same time as the notice of the meeting.

35.3 The first Auditors shall be appointed by the Board before the first annual general meeting and they shall hold office until the first annual general meeting unless previously removed in which case the Members at such meeting may appoint the Auditors.

35.4 The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditors (if any) may act.

35.5 The remuneration of the Auditors shall be fixed by the Company in general meeting or in such manner as the Company may determine except that the remuneration of any Auditors appointed by the Directors shall be fixed by the Directors.

35.6 Every Auditor shall have a right of access at all times to the books accounts and documents of the Company and as regards books accounts and documents of which the originals are not readily available shall be entitled to rely upon copies or extracts certified by an officer of the Company and shall be entitled to require from the Board such information and explanations as may be necessary for the performance of their duties and the Auditors shall make a report to the Members on the accounts examined by them and the report shall state whether in their opinion the accounts give a true and fair view of the state of the Company's affairs and whether they have been prepared in accordance with the Laws.

35.7 Any Auditor shall be eligible for re-election.

36. **UNTRACEABLE MEMBERS**

36.1 The Company shall be entitled to sell at the best price reasonably obtainable the shares of a Member or any shares to which a person is entitled by transmission on death or bankruptcy if and provided that:

36.1.1 for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Member or to the person so entitled to the

share at his address in the Register or otherwise 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 the Member or the person so entitled provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final;

36.1.2 the Company has at the expiration of the said period of twelve years by advertisement in a newspaper circulating in the area in which the address referred to in Article 36.1.1 above is located given notice of its intention to sell such shares;

36.1.3 the Company has not during the 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 so entitled; and

36.1.4 if any part of the share capital of the Company is quoted on any stock exchange the Company has given notice in writing to the quotations department of such stock exchange of its intention to sell such shares. To give effect to any such sale the Directors may appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer of the said shares shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, such shares and the title of the purchaser or other transferee shall not be effected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company) as the Directors may from time to time think fit.

37. NOTICES

37.1 A notice may be given by the Company to any Member either personally or by sending it by prepaid post addressed to such Member at his registered address or if he desires that notices shall be sent to some other address or person to the address or person nominated for such purpose. Notices to be posted to addresses outside the Channel Islands and the United Kingdom shall so far as practicable be forwarded by prepaid airmail.

37.2 The Company shall, where no other period is specified in these Articles, give all Members sufficient notice to enable them to exercise their rights or comply with the terms of the notice.

37.3 Any notice or other document, if served by post, shall be deemed to have been served forty eight hours after the time when the letter containing the same is posted (or such other mandatory period as may from time to time be specified by the Laws) and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and duly posted. A notice given by advertisement shall be published in at least one UK national newspaper and one daily newspaper circulated widely in each of Guernsey and Jersey and shall be deemed to have been served before noon the day on which the advertisement appears.

37.4 A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of the share.

- 37.5 Any notice or document delivered or sent by post to or left at the registered address of any Member shall notwithstanding the death, disability or insolvency of such Member and whether the Company has notice thereof be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such share.
- 37.6 Any document or notice which, in accordance with these Articles, may be sent by the Company by electronic communication shall, if so sent, be deemed to be received at the expiration of 24 hours after the time it was sent. Proof (in accordance with the formal recommendations of best practice contained in the guidance issued by the Institute of Chartered Secretaries and Administrators) that an electronic communication was sent by the Company shall be conclusive evidence of such sending.
- 37.7 The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.
- 37.8 A person entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also a postal address for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the said Member would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent to any Member in pursuance of these Articles shall, notwithstanding that such Member be then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, 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.
- 37.9 Where under these Articles a document requires to be signed by a Member or other person then, if in the form of an electronic communication, it must to be valid incorporate the electronic signature or personal identification details (which may be details previously allocated by the Company) of that Member or other person, in such form as the Directors may approve, or be accompanied by such other evidence as the Directors may require to satisfy themselves that the document is genuine. The Company may designate mechanisms for validating any such document, and any such document not so validated by use of such mechanisms shall be deemed not to have been received by the Company.
- 37.10 Any Member may notify the Company of an address for the purpose of his receiving electronic communications from the Company, and having done so shall, subject to the Laws, be deemed to have agreed to receive notices and other documents from the Company by electronic communication of the kind to which the address relates. In addition and subject to the Laws, if a Member notifies the Company of his e-mail address, the Company may satisfy its obligation to send him any notice or other document by:
- 37.10.1 publishing such notice or document on a web site; and
- 37.10.2 notifying him by e-mail to that e-mail address that such notice or document has been so published, specifying the address of the web site on which it has been published, the place on the web site where it may be accessed, how it may be accessed and (if it is a notice relating to a shareholders' meeting) stating (i) that the notice concerns a notice of a company meeting served in accordance with the Laws, (ii) the place, date

and time of the meeting, (iii) whether the meeting is to be an annual or extraordinary general meeting and (iv) such other information as the Laws may prescribe.

37.11 An electronic communication shall not be treated as received by the Company if it is rejected by computer virus protection arrangements.

38. WINDING UP

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

38.2 If the Company shall be wound up the Liquidator may with the authority of a special resolution divide among the Members *in specie* the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes or property and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may with the like authority vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.

38.3 Where the Company is proposed to be or is in course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company ("**the transferee**") the Liquidator may, with the sanction of an ordinary resolution, conferring either a general authority on the Liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares policies or other like interests in the transferee for distribution among the Members or may enter into any other arrangement whereby the Members may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee.

39. INDEMNITY

The Directors, managers, agents, Secretary and other officers or servants for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company and their respective heirs and executors shall be fully indemnified out of the assets and profits of the Company from and against all actions expenses and liabilities which they or their respective heirs or executors may incur by reason of any contract entered into or any act in or about the execution of their respective offices or trusts except such (if any) as they shall incur by or through their own wilful act neglect or default respectively and none of them shall be answerable for the acts receipts neglects or defaults of the others of them or for joining in any receipt for the sake of conformity or for any bankers or other person with whom any moneys or assets of the Company may be lodged or deposited for safe custody or for any bankers or other persons into whose hands any money or assets of the Company may come or for any defects of title of the Company to any property purchased or for insufficiency or deficiency of or defect in title of the Company to any security upon which any moneys of the Company shall be placed out or invested or for any loss misfortune or damage resulting from any such cause as aforesaid or which may happen in or about the execution of their respective offices or trusts except the same shall happen by or through their own wilful act neglect or default.

40. **INSURANCE**

Without prejudice to any other provisions of these Articles, the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company, or of any other body (whether or not incorporated) which is or was its subsidiary of the Company (together "**Group Companies**") or otherwise associated with the Company or any Group Company or in which the Company or any such Group Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, including (without prejudice to the generality of the foregoing) insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and discretion and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body.

41. **INSPECTION OF DOCUMENTS**

The Board shall determine whether and to what extent and at what times and places and under what conditions the accounts books and documents of the Company shall be open to inspection and no Member shall have any right of inspecting any account or book or document except as conferred by the Laws or authorised by the Board.