

THE COMPANIES ACT 2006 (AS AMENDED)

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

FAROE PETROLEUM PLC

(incorporating all amendments to 28 June 2016)

1. Table “A” and Model Articles not to apply

1.1 No regulations or articles for the management of a company set out in any schedule to any statute concerning companies or contained in any regulations or instrument made pursuant to a statute shall apply to the Company, but the following shall be the Articles of Association of the Company.

2. Definitions

2.1 In these Articles, unless the context otherwise requires, the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively:

address	in relation to electronic communications, includes any number or address used for the purpose of such communications
AIM	the AIM market of the London Stock Exchange
these Articles	these Articles of Association as altered or varied from time to time (and “ Article ” means one of these Articles)
the Auditors	the auditors for the time being of the Company or, in the case of joint auditors, any of them
Board	the board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present
CA 2006	the Companies Act 2006 as in force from time to time
cash memorandum account	an account so designated by the Operator of a relevant system
certificated share	a share which is not an Uncertificated Share

Chairman	the chairman (if any) of the Board or, where the context requires, the chairman of a general meeting of the Company
clear days	(in relation to the period of a notice) that period, excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect
communication	has the same meaning as in the Electronic Communications Act 2000
the Company	Faroe Petroleum plc
Depository	a custodian or other person (or a nominee for such custodian or other person) appointed under contractual arrangements with the Company or other arrangements approved by the Board whereby such custodian or other person or nominee holds or is interested in shares of the Company and issues securities or other documents of title or otherwise evidencing the entitlement of the holder thereof to or to receive such shares, rights or interests, provided and to the extent that such arrangements have been approved by the Board for the purpose of these Articles and shall include, where approved by the Board, the trustees (acting in their capacity as such) of any employees' share scheme established by the Company or any other scheme or arrangements principally for the benefit of employees of the Company and/or its subsidiaries which have been approved by the Board
Director	a director for the time being of the Company
Disclosure and Transparency Rules	the Disclosure and Transparency Rules made by the UK Listing Authority as in force from time to time
dividend	a distribution or a bonus
electronic communication	a communication by electronic means
electronic form	has the same meaning as in the CA 2006
electronic means	has the same meaning as in the CA 2006
electronic signature	has the meaning in Section 7(2) of the Electronic Communications Act 2000
holder	(in relation to any share) the person whose name is entered in the Register as the holder or, where the context permits, the persons whose names are entered in the Register as joint holders of that share
London Stock Exchange	London Stock Exchange plc
member	a member of the Company
month	calendar month
Office	the registered office for the time being of the Company
Operator	has the meaning ascribed thereto in Regulation 3(1) of the

	Regulations
Ordinary Share	an ordinary share of 10 pence in the capital of the Company
Paid Up	paid up or credited as paid up
Recognised Person	a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated in the manner mentioned in section 778 of the CA 2006
Register	the register of members of the Company
Regulations	The Uncertificated Securities Regulations 2001 (S.I. 2001/No. 3755) or any regulations in substitution thereof made under Section 207 of the Companies Act 1989 and for the time being in force
relevant system	has the meaning ascribed thereto in the Regulations
Secretary	the secretary for the time being of the Company or any other person appointed to perform any of the duties of the secretary including (subject to the provisions of the Statutes) a joint, temporary, deputy or assistant secretary
share	a share of the Company
the Statutes	subject to Article 2.3, the CA 2006 and where the context requires every other statute for the time being in force concerning bodies corporate and affecting the Company
the UK Listing Authority	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
Uncertificated Share	a share being, for the purposes of the Regulations, an “uncertificated unit of a security” to which title is recorded on the Register as being held in uncertificated form and which is permitted to be transferred by means of a relevant system
the United Kingdom or UK	Great Britain and Northern Ireland
writing or written	includes printing, typing, lithography, photography and any other mode or modes of representing or reproducing words in a legible and non transitory form, including electronic communications
Year	calendar year

2.2 Unless the context otherwise requires:

- (a) words denoting the singular shall include the plural and vice versa;
- (b) words importing the masculine shall include the feminine; and
- (c) a reference to a person includes a body corporate and in unincorporated body of persons.

- 2.3 In these Articles:
- (a) a reference to any statute or statutory provision shall include any orders, regulations or other subordinate legislation made under it or pursuant thereto and shall, unless the context otherwise requires, include any statutory modification or re-enactment of any statute or statutory provision for the time being in force;
 - (b) references to a document include, unless the context otherwise requires, references to an electronic communication;
 - (c) references to a document being executed include references to it being executed under hand or seal or, in the case of an electronic communication, by electronic signature; and
 - (d) references to an instrument mean, unless the contrary is stated, a document in writing having a tangible form and not comprised in an electronic communication.
- 2.4 Save as aforesaid, and unless the context otherwise requires, words or expressions defined in the Statutes or the Regulations shall bear the same meanings in these Articles.
- 2.5 Where an ordinary resolution is expressed to be required for any purpose under any provision of these Articles a special resolution shall also be effective.
- 2.6 The headings are inserted for convenience only and shall not affect the construction of these Articles.

SHARE CAPITAL

3. Liability of Members

- 3.1 The liability of the members is limited to the amount, if any, unpaid on the shares respectively held by them.

4. Allotment

- 4.1 Subject to the provisions of the Statutes and to any relevant authority of the Company in general meeting required by the Statutes, the Company may from time to time pass an ordinary resolution authorising the Board to allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of them or grant rights to subscribe for or convert any security into shares of the Company to such persons (including the Directors themselves), at such times and generally on such terms and conditions as the Board may decide, provided that no share shall be issued at a discount.
- 4.2 Subject to the provisions of the Statutes and without prejudice to the rights attaching to any existing shares or class of shares, any shares may be issued with such preferred, deferred, or other special rights or restrictions as the Company may from time to time by ordinary resolution determine or, if the Company has not so determined, as the Directors may determine.

5. Redeemable Shares

- 5.1 Subject to the provisions of the Statutes and to any special rights for the time being attached to any existing share, any share may be issued which is, or at the option of the Company or of the holder of such share is liable, to be redeemed on such terms and conditions, and in such manner, as the Board may provide save that the date on or by which, or dates between which, any such shares are to be or may be redeemed may be fixed by the Board (and if so fixed, the date or dates must be fixed before the shares are issued).

6. **Commission and Brokerage**

6.1 The Company may in connection with the issue of any shares exercise all the powers of paying commission and brokerage conferred or permitted by the Statutes.

6.2 Subject to the provisions of the Statutes, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

6.3 The Company may on any issue of shares pay such brokerage as may be lawful.

7. **Recognition of rights of renunciation**

7.1 The Board may at any time after the allotment of any share but before any person has been entered in the Register as the holder of that share recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board may think fit to impose.

8. **Trusts not to be recognised**

8.1 Except as required by law or otherwise in accordance with these Articles, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any interest in or right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

9. **Financial Assistance**

9.1 The Company may give financial assistance for the acquisition of shares in the Company to the extent that it is not restricted or otherwise permitted by the Statutes.

10. **Uncertificated Shares**

10.1 Subject to the Regulations and the facilities and requirements of the relevant system concerned, the Directors shall have power to implement any arrangements or procedures they may, in their absolute discretion, think fit in relation to the evidencing and transfer of title of Uncertificated Shares or other securities of the Company in uncertificated form.

10.2 Without prejudice to any other provisions of these Articles, in relation to any class of share which is, for the time being, a participating security under the Regulations, and for so long as such class remains a participating security under the Regulations, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

- (a) the holding of shares of that class in uncertificated form;
- (b) the transfer of title to shares of that class by means of a relevant system; or
- (c) the Regulations.

10.3 Without prejudice to the generality of Article **10.1** where any class of share is, for the time being, a participating security under the Regulations (such class being referred to hereinafter as the “**Relevant Class**”):

- (a) the register relating to the Relevant Class shall be maintained at all times in the United Kingdom;
- (b) shares of the Relevant Class may be issued in uncertificated form in accordance with and subject as provided in the Regulations;

- (c) unless the Directors otherwise determine, shares of the Relevant Class held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings;
 - (d) shares of the Relevant Class may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in such manner as the Directors may, in their absolute discretion, think fit, subject to and in accordance with the Regulations;
 - (e) title to shares of the Relevant Class which are recorded on the register as being held in uncertificated form may be transferred by means of the relevant system concerned in accordance with Article **42.2** and subject to Article **43.3**;
 - (f) the Company shall comply with the provisions of Regulations 21 and 22 in relation to the Relevant Class and Article **143** in particular shall be read as subject to Regulation 22; and
 - (g) the provisions of these Articles with respect to meetings of or including holders of the Relevant Class, including notices of such meeting, shall have effect subject to the provisions of Regulation 34.
- 10.4 Notwithstanding any provision of these Articles, a class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and Uncertificated Shares or as a result of any provision of these Articles or the Regulations applying only in respect of certificated or Uncertificated Shares.

VARIATION OF RIGHTS

11. Manner of variation of rights

- 11.1 Subject to the provisions of the Statutes, any of the rights or privileges for the time being attached to any share or any class of share may be varied or abrogated, either while the Company is a going concern or during or in contemplation of a winding-up, in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent of the holders of not less than three-quarters in nominal value of the issued shares of the class, which consent shall be by means of one or more instruments or contained in one or more electronic communications sent to such address (if any) as may for the time being be specified by the Company for that purpose or a combination of both, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class duly convened and held as hereinafter provided (but not otherwise). To every such separate general meeting all the provisions of the Statutes and of these Articles relating to general meetings of the Company or the proceedings at such meetings shall mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class and at an adjourned meeting shall be one person holding shares of the class or his proxy. Every holder of shares of the class, present in person or by proxy, may demand a poll. Each such holder shall, on a poll, have one vote in respect of every share of the class held by him. The foregoing provisions of this Article shall apply also to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights of which are to be varied.

12. Deemed variation

- 12.1 Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares shall be deemed to be varied or abrogated by the reduction of the capital paid upon those shares or by the allotment of further shares ranking in priority thereto in any

respect but shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking pari passu in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Statutes and these Articles.

ALTERATION OF SHARE CAPITAL

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15. **Fractions**

15.1 Whenever as the result of any consolidation, division or sub-division of shares any difficulty arises, the Board may settle it as it thinks fit and in particular (but without prejudice to the generality of the foregoing):

- (a) whenever as a result of any consolidation of shares any member would become entitled to fractions of shares, the Board may, on behalf of those members, sell the shares incorporating the fractions for the best price reasonably obtainable to any person (including the Company) and distribute the net proceeds of sale after deduction of the expenses of sale in due proportion among those members (except that any amount otherwise due to a member, being less than £3.00 or its equivalent based on such exchange rate as the Board may determine in any other relevant currency or such other sum as the Board may from time to time determine, may be retained for the benefit of the Company);
- (b) the Board may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share and, in the case of any shares registered in the name of one holder or joint holders being consolidated with shares registered in the name of another holder or joint holders, may make such arrangements as it may think fit for the sale of the consolidated share and for the distribution among the persons entitled thereto of the net proceeds of such sale after deduction of the expenses of sale (except that any amount otherwise due to a member, being less than £3.00 or its equivalent based on such exchange rate as the Board may determine in any other relevant currency or such other sum as the Board may from time to time determine, may be retained for the benefit of the Company);
- (c) alternatively, provided that the Board has authority to allot such shares, the Board may, in each case where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share, issue to each such holder credited as fully paid by way of capitalisation the minimum number of shares required to round up this holding to such a multiple (such issue being deemed to have been effected immediately prior to consolidation); and the amount required to pay up such shares shall be appropriated at the Board's discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or to the credit of the profit and loss account and capitalised by applying the same in paying up such shares; and
- (d) for the purposes of any sale of consolidated shares pursuant to this Article, the Board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser, and the transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

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17. **Reduction of capital**

17.1 Subject to the provisions of the Statutes and to any rights for the time being attached to any shares, the Company may by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner.

SHARE CERTIFICATES

18. **General**

18.1 This Article **18** shall not apply to Uncertificated Shares and the Company shall not be required to issue a certificate in respect of an Uncertificated Share.

18.2 Every share certificate shall be issued in such manner as the Board, having regard to the terms of issue, the Statutes and the regulations of the London Stock Exchange or AIM, may authorise and shall specify the number and class of shares in respect of which it is issued and the amount Paid Up thereon. No certificate shall be issued representing shares of more than one class. The Company shall not be required to issue a certificate in respect of shares held by a Recognised Person.

18.3 The Company shall not be bound to issue more than one certificate in respect of shares held jointly by two or more persons and delivery of a certificate to one of the joint holders shall be sufficient delivery to all joint holders.

18.4 Subject to Articles **18.1**, **18.2** and **18.3** any person whose name is entered in the Register in respect of any certificated share shall be entitled, without charge, to receive within two months after allotment (or such period as the terms of issue of the shares shall otherwise provide) or lodgement at the Office of a transfer, one certificate for all the certificated shares of each class registered in his name.

18.5 Where a member (other than a Recognised Person) has transferred part only of certificated shares comprised in a certificate he shall be entitled, without charge, to a new certificate for the balance of such shares.

18.6 If and so long as all the issued shares of the Company or all the issued shares of a particular class are fully Paid Up and rank pari passu for all purposes, then none of those shares shall bear a distinguishing number. In all other cases each share shall bear a distinguishing number.

19. **Replacement Certificates**

19.1 This Article **19** shall not apply to Uncertificated Shares.

19.2 Any two or more certificates representing shares of any one class held by any member may, at his request, be cancelled and a single new certificate for such shares issued in lieu without charge on surrender of the original certificates for cancellation.

19.3 If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Board may, if it thinks fit, comply with such request subject to the payment of such fee (if any) as it may determine.

19.4 If any share certificate shall be damaged, defaced, worn out or alleged to have been lost, stolen or destroyed, it may be renewed on such terms as to the provision of evidence and indemnity (with or without security) and the payment of exceptional "out-of-pocket" expenses

incurred by the Company in connection with the matter as the Board may decide and, where it is defaced or worn out, on surrender of the original certificate.

- 19.5 In the case of shares held jointly by two or more persons any such request as is mentioned in this Article **19** may be made by any one of the joint holders.

CALLS ON SHARES

20. Right to make calls

- 20.1 Subject to the terms of allotment of shares, the Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares or any class of shares held by them respectively (whether in respect of nominal value or by way of premium) and not payable on a date fixed by or in accordance with the terms of issue.

21. Time of call

- 21.1 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed or (as the case may require) any person to whom power has been delegated pursuant to these Articles serves notice of exercise of such power.

22. Liability for the call

- 22.1 Each member shall (subject to receiving at least 14 days' clear notice specifying when and where payment is to be made and whether or not by instalments) be liable to pay the amount of every call so made on him as required by the notice.

23. Payment by instalments

- 23.1 A call may be required to be paid by instalments and may, before receipt by the Company of any sum due thereunder, be either revoked or postponed in whole or in part as regards all or any holder(s) as the Board may determine. A person on whom a call is made shall remain liable notwithstanding the subsequent transfer of shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable for the payment of all calls in respect thereof.

24. Interest on calls

- 24.1 If any sum in respect of a call is not paid before or on the day appointed for payment, the person from whom it is due and payable shall pay all costs, charges and expenses that the Company may have incurred by reason of such non-payment together with interest on the unpaid amount from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of the allotment of the share or in the notice of the call or, if no rate is so fixed, at such rate not exceeding 15 per cent, per annum as the Board shall determine. The Board may waive payment of such interest, costs, charges and expenses in whole or in part.

25. Rights of member when call unpaid

- 25.1 No member shall, unless the Board otherwise determines, be entitled to receive any dividend or to be present and vote at any general meeting either personally or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member unless and until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and costs, charges and expenses.

26. Sums due on allotment to be treated as calls

26.1 Any sum payable in respect of a share on allotment or at any fixed date (whether in respect of nominal value or by way of premium) or as an instalment of a call, shall for all the purposes of these Articles be deemed to be a call duly made. If it is not paid the provisions of these Articles shall apply as if such amount had become due and payable by virtue of a call.

27. Power to differentiate

27.1 The Board may make arrangements on the issue of shares for a difference as between the allottees or holders of such shares in the amount of calls to be paid and the times of payment of calls.

28. Payment in advance of calls

28.1 The Board may, if it thinks fit, receive from any member willing to advance the same all or any part of the money uncalled and unpaid on the shares held by him. Such payment in advance of calls shall extinguish pro tanto the liability on the shares in respect of which it is made but shall not entitle the member to participate in respect of that payment in any dividend of the Company. The Company may pay interest on the money paid in advance or so much of it as exceeds the amount for the time being called up on the shares in respect of which the advance was made at such rate (not exceeding 10 per cent per annum) as the Board may decide. The Board may at any time repay the amount so advanced on giving to such member not less than one month's notice in writing of its intention to do so, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.

29. Delegation of power to make calls

29.1 If any uncalled capital of the Company is included in or charged by a mortgage or other security, the Board may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in respect of such uncalled capital, to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys. The power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of Directors, and shall be assignable if expressed so to be.

FORFEITURE

30. Notice of failure to pay a call

30.1 If any member fails to pay the whole or any part of any call or any instalment of any call on or before the day appointed for payment, the Board may at any time thereafter serve a notice in writing on him or on any person entitled to the shares by transmission requiring him to pay such call or any part thereof as remains unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

30.2 The notice shall name a further day, not being less than 14 clear days from the date of the notice, on or before which and the place where the payment is required by the notice is to be made, and shall state that, if the notice is not complied with, the shares in respect of which the call was made will be liable to be forfeited.

31. Surrender

31.1 The Board may accept a surrender of any share liable to be forfeited. In such case references to these Articles to forfeiture shall include surrender.

32. Forfeiture for non-compliance

- 32.1 If the requirements of the notice referred to in Article **30** are not fully complied with, any share in respect of which it was given may at any time before the payment required by the notice has been made, be forfeited by a resolution of the Board. Such forfeiture shall include all dividends declared or other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
- 32.2 If any person from whom any call or interest thereon or any part thereof is due, and whose share has been declared forfeited for non-payment thereof, shows to the satisfaction of the Board that he is unable to pay the whole amount then remaining due from him in respect of such call or interest, the Board may accept from him such sum by way of composition for and in lieu of the whole amount so then due from him as the Board may determine; and upon the payment of such composition discharge him from all claims and demands whatsoever then remaining due in respect of such call and interest; but no such compensation shall be accepted from any person while he continues as a member in his own right in respect of any share besides the share so forfeited, or shall give him any claim to or in respect of the share so forfeited.

33. Notice after forfeiture

- 33.1 When any share has been forfeited, notice of the forfeiture shall forthwith be served on the person who was before forfeiture the holder of the share or the person entitled to the share by transmission (as the case may be). An entry of such notice having been given and of the forfeiture with the date thereof shall forthwith be made in the Register in respect of such share. No forfeiture shall be invalidated by any omission to give such notice or to make such entry as aforesaid.

34. Forfeiture may be annulled

- 34.1 The Board may, at any time before any share so forfeited has been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture, on the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and on such further terms (if any) as the Board shall see fit.

35. Disposal of forfeited shares

- 35.1 Every share which shall be forfeited shall thereupon become the property of the Company and no voting rights shall be exercised in respect thereof. Subject to the provisions of the Statutes, any such share may be sold, re-allotted or otherwise disposed of, either to the person who was before such forfeiture the holder thereof or entitled thereto to or any other person on such terms and in such manner as the Board shall determine.
- 35.2 In the case of certificated shares, the Board may for the purposes of any sale or disposal authorise some person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the Register notwithstanding the absence of any share certificate being lodged in respect thereof and may issue a new certificate to the transferee and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares.
- 35.3 In the case of Uncertificated Shares, the Board may, subject to the Regulations and the facilities and requirements of the relevant system concerned, take such steps or issue such instructions (including the giving of directions to or on behalf of the holder who shall be bound by them) as it thinks fit to effect any sale or disposal referred to in Article **35.1**.
- 35.4 The Company may receive the consideration (if any) given for the share on its disposal.

36. Holder to remain liable despite forfeiture

36.1 A person whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited. He shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, together with interest thereon from the date of forfeiture to the date of payment in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture without allowance or reduction for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

37. Extinction of claims

37.1 The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Statutes given or imposed in the case of past members.

38. Evidence of forfeiture

38.1 A statutory declaration by a Director or the Secretary that a share has been forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The declaration, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof and, in the case of certificated shares, the delivery of a certificate for the share to the person to whom the same is sold or disposed of, shall (subject if necessary to the execution of an instrument of transfer) constitute a good title to the share. Subject to the execution of any necessary transfer, such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase money or other consideration (if any), nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture or disposal of the share. Any such person shall not (unless by express agreement) become entitled to any of the dividends accrued or which might have accrued upon the shares before the completion of the sale or disposition thereof.

LIEN

39. Liens on partly-paid shares

39.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether immediately payable or not, called or payable at a fixed time in respect of such share. The Company's lien (if any) on a share shall extend to all dividends and other moneys payable thereon or in respect thereof. The Board may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

40. Enforcement of lien by sale

40.1 The Company may sell at such time or times and in such manner as the Board thinks fit all or any shares on which the Company has a lien, but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are or is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged and until a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof and giving notice of intention to sell in default shall have been served on the holder or the person

(if any) entitled by transmission to the shares, and default in payment, fulfilment or discharge shall have been made by him or them for 14 clear days after service of such notice.

- 40.2 For the purposes of giving effect to any such sale as is referred to in Article **40.1**, the Board may, in the case of certificated shares, authorise some person to execute an instrument of transfer of the shares to be sold in the name and on behalf of the holder of, or the persons entitled by transmission to, the shares in favour of the purchaser or as he may direct and may enter the name of the transferee in respect of the transferred shares in the Register notwithstanding the absence of any share certificate being lodged in respect thereof.
- 40.3 In the case of Uncertificated Shares, the Board may, subject to the Regulations and the facilities and requirements of the relevant system concerned, take such steps or issue such instructions (including the giving of directions to or on behalf of the holder who shall be bound by them) as it thinks fit to effect any such sale as is referred to in Article **40.1**
- 40.4 The purchaser shall not be bound to see to the application of the purchase money and the title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale.

41. Application of proceeds of sale

- 41.1 The net proceeds of any sale of shares subject to any lien, after payment of the costs of sale, shall be applied in or towards payment or satisfaction of so much of the amount due to the Company or of the liability or engagement (as the case may be) as is presently payable or is liable to be presently fulfilled or discharged. The balance (if any) shall (on surrender, in the case of certificated shares, to the Company for cancellation of the certificate for the shares sold, and subject to a like lien for any moneys not presently payable or any liability or engagement not liable to be presently fulfilled or discharged as existed on the shares before the sale) be paid to the member or the person (if any) entitled by transmission to the shares so sold.

TRANSFER OF SHARES

42. Form of Transfer

- 42.1 Subject to these Articles, each member may transfer all or any of his certificated shares by instrument of transfer in writing in any usual form or in any other form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Register in respect thereof.
- 42.2 Title to any Uncertificated Shares shall be transferred by means of a relevant system subject to and in accordance with the Regulations and the facilities and requirements of the relevant system concerned.

43. Right to refuse registration

- 43.1 Without prejudice to the provisions of Article **75** and subject to Articles **43.2** and **43.3**, the Board may in its absolute discretion and without giving any reason therefor refuse to register any transfer of certificated shares unless:
- (a) it is in respect of a share which is fully paid up;
 - (b) it is in respect of a share on which the Company has no lien;
 - (c) it is in respect of only one class of share;

- (d) it is in favour of a single transferee or not more than four joint transferees;
- (e) it is duly stamped (if so required); and
- (f) it is delivered for registration to the Office or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a Recognised Person where a certificate has not been issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the 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.

43.2 Where shares which are not fully Paid Up are admitted to the Official List of the UK Listing Authority or to trading on AIM, the Board may refuse to register a transfer of such a share provided that such a refusal would not prevent dealings in the shares from taking place on an open and proper basis.

43.3 The Board may refuse to register a transfer of an Uncertificated Share to the extent that the Company is permitted to do so by the Regulations and the requirements of the relevant system concerned provided that where Uncertificated Shares are admitted to the Official List of the UK Listing Authority or to trading on AIM such a refusal would not prevent dealings in the Uncertificated Shares from taking place on an open and proper basis.

44. **Notice of refusal**

44.1 If the Board refuses to register a transfer of a share it shall, as soon as reasonably practicable and no later than two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.

45. **Retention of transfer**

45.1 All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Board refuses to register shall (except in any case where fraud or any other crime involving dishonesty is suspected in relation to such transfer) be returned to the person depositing it.

46. **No fee on registration**

46.1 The Company shall not charge any fee in respect of the registration of any transfer, probate or letters of administration, certificate of marriage or death, stop notice, power of attorney, court order or other documentation relating to or affecting the title to any share.

47. **Other powers in relation to transfers**

47.1 Nothing in these Articles shall preclude the Board:

- (a) from recognising a renunciation of the allotment of any share by the allottee in favour of some other person; or
- (b) if empowered by these Articles to authorise any person to execute a transfer of a share from authorising any person to transfer that share.

DESTRUCTION OF DOCUMENTS

48. **Destruction of documents**

48.1 The Company may destroy:

- (a) any instrument of transfer after six years from the date on which it is registered (or such shorter period as the Board shall determine provided a copy thereof is retained by microfilming or other similar means);
- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address, after two years from the date on which it is recorded (or such shorter period as the Board shall determine provided a copy thereof is retained by microfilming or other similar means);
- (c) any share certificate, after one year from the date on which it is cancelled (or such shorter period as the Board shall determine provided a copy thereof is retained by microfilming or other similar means); and
- (d) any other document on the basis of which any entry in the Register is made, after six years from the date on which an entry was first made in the Register in respect of it (or such shorter period as the Board shall determine provided a copy thereof is retained by microfilming or other similar means).

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

- (a) this Article **48** shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant;
- (b) nothing in this Article **48** shall be construed as imposing on the Company any liability in respect of the destruction of any such document otherwise than as provided for in this Article **48** which would not attach to the Company in the absence of this Article **48**; and
- (c) references in this Article **48** to the destruction of any document include references to the disposal of it in any manner.

48.3 In this Article **48** reference to instruments to transfer shall include, in relation to Uncertificated Shares, Operator-instructions relating to the transfer of such shares in accordance with the Regulations and the relevant system concerned and the provisions of this Article **48** shall apply to Uncertificated Shares only to the extent that the provisions are consistent with the Regulations and the facilities and requirements of the relevant system concerned.

TRANSMISSION OF SHARES

49. Persons entitled on death

50.1 If a member dies, the survivor or survivors, where he was a joint holder, and his executors or administrators, where he was a sole or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares, but nothing in this Article shall release the estate of a deceased member from any liability in respect of any share which has been solely or jointly held by him.

50. Election by persons entitled by transmission

51.1 Any person becoming entitled to a share in consequence of the death or bankruptcy of any member or of any other event giving rise to a transmission of such entitlement by operation of law may on such evidence as to his title being produced as the Board may require elect either

to become registered as a member or to have some person nominated by him registered as a member. If he elects to become registered as a member, he shall give notice to the Company to that effect. If he elects to have some other person registered as a member, he shall execute an instrument of transfer of such share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer (as the case may be) as if it were an instrument of transfer executed by the member and his death, bankruptcy or other event, as aforesaid, had not occurred. Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall within two months after such proof cause the entitlement of that person to be noted in the Register.

51.2 The provisions of Article **50.1** shall not apply to Uncertificated Shares.

51. **Rights on Transmission**

52.1 Where a person becomes entitled to a share in consequence of the death or bankruptcy of any member or of any other event giving rise to a transmission of such entitlement by operation of law, the rights of the holder in relation to such share shall cease. However, the person so entitled may give a good discharge for any dividends and other moneys payable in respect of it and shall have the same rights to which he would be entitled if he were the holder of the share, except that he shall not, before he is registered as the holder of the share, be entitled in respect of it to receive notice of, or to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares of the Company. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share. If the notice is not complied with within 60 days, the Board may thereafter withhold payment of all dividends and other moneys payable in respect of such share until the requirements of the notice have been complied with.

UNTRACED MEMBERS

52. **Power of Sale**

52.1 The Company shall be entitled to sell any share of a member, or any share to which a person is entitled by transmission, if and provided that:

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in Article **52.1(b)** below (or, if published on different dates, the earlier or earliest thereof) no cheque or order in respect of such share sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled by transmission to the share, at his address on the Register or other last known address given by the member or that person to which cheques or orders in respect of such share are to be sent has been cashed and the Company has received no communications in respect of such share from such member or person, provided that during such period of 12 years at least three dividends (whether interim or final) in respect of such share have become payable by the Company and no such dividend has been claimed by the person entitled to it;
- (b) on expiry of the said period of 12 years the Company has given notice of its intention to sell such share by advertisements appearing in both a national newspaper and in a newspaper circulating in the area in which the address referred to in Article **52.1(a)** is located;
- (c) the said advertisements, if not published on the same day, shall have been published within 30 days of each other;
- (d) during the further period of three months following the date of publication of the said advertisements (or, if published on different dates, the later or latest thereof) and prior

to the exercise of the power of sale the Company has not received any communication in respect of such share from the member or person entitled by transmission; and

- (e) if shares of the class concerned are listed or dealt in on any stock exchange, the Company has given notice to that exchange of its intention to make such sale.
- 52.2 The manner, timing and terms of any sale of shares pursuant to this Article (including but not limited to the price or prices at which the same is made) shall be such as the Board determines, based upon advice from such bankers, brokers or other persons as the Board considers appropriate consulted by it for the purposes to be reasonably practicable having regard to all the circumstances including the number of shares to be disposed of and the requirement that the disposal be made without delay; and the Board shall not be liable to any person for any of the consequences of reliance on such advice.
- 52.3 To give effect to any sale of certificated shares pursuant to this Article, the Board may authorise some person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the Register notwithstanding the absence of any share certificate being lodged in respect thereof and may issue a new certificate to the transferee and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares.
- 52.4 In the case of Uncertificated Shares, the Board may subject to the Regulations and the facilities and requirements of the relevant system concerned take such steps or issue such instructions (including the giving of directions to or on behalf of the holder who shall be bound by them) as it thinks fit to effect any sale of shares pursuant to this Article.
- 52.5 The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
- 52.6 If during the period of 12 years referred to in Article 52.1 above, or during any period ending on the date when all the requirements of Article 52.1 (a) to (e) above have been satisfied, any additional shares have been issued in respect of those held at the beginning of, or previously so issued during, any such period and all the requirements of Article 52.1(a) to (e) above have been satisfied in relation to such additional shares, the Company shall also be entitled to sell the additional shares.

53. Application of proceeds of sale

- 53.1 The Company shall account to the member or other person entitled to such share for the net proceeds of such sale by carrying all moneys in respect thereof to a separate account. The Company shall be deemed to be a debtor to, and not a trustee for, such member or other person in respect of such moneys. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments as the Board may from time to time think fit. No interest shall be payable to such member or other person in respect of such moneys and the Company shall not be required to account for any money earned on them.

GENERAL MEETINGS

54. Annual general meetings

- 54.1 The Company shall in each year hold a general meeting as its annual general meeting in accordance with the requirements of the CA 2006.

55. General meetings

55.1 All general meetings, other than annual general meetings, shall be called general meetings.

56. Convening of general meetings

56.1 The Board may convene a general meeting to be held at such time and in such place as the Board thinks fit.

56.2 A general meeting may be held at more than one place if:

- (a) the notice convening the meeting specifies that it shall be held at more than place; or
- (b) the Board resolves, after the notice convening the meeting has been given, that the meeting shall be held at more than one place; or
- (c) it appears to the Chairman of the meeting that the place of the meeting specified in the notice convening the meeting is inadequate to accommodate all persons entitled and wishing to attend.

56.3 A general meeting held at more than one place is duly constituted and its proceedings are valid if (in addition to the other provisions of these Articles relating to general meetings being satisfied) the Chairman of the meeting is satisfied that facilities (whether by electronic means or otherwise) are available to enable each person present at each place to participate in the business of the meeting.

56.4 Each person present at each place who would be entitled to count towards the quorum in accordance with the provisions of Article 61 shall be counted in the quorum for, and shall be entitled to vote at, the meeting. The meeting is deemed to take place at the place at which the Chairman of the meeting is present.

56.5 The Board is required to call a general meeting, or in default a general meeting may be convened by such requisitionists, once the Company has received requests to do so from members representing at least 10 per cent of such of the Paid Up capital of the Company as carries the right of voting at general meetings of the Company. A request must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. A request may be in hard copy or in electronic form and must be authenticated by the person or persons making it. The Board shall on requisition proceed to convene a general meeting in accordance with the provisions of the CA 2006. At any meeting convened on such requisition or by such requisitionists no business shall be transacted except that stated by the requisition or proposed by the Board.

57. Notice of general meetings

57.1 An annual general meeting shall be convened by not less than 21 clear days' notice in writing. All other general meetings shall be convened by not less than 14 clear days' notice in writing.

57.2 Subject to the provisions of the CA 2006 and notwithstanding that it is convened by shorter notice than that specified in Article **57.1**, a general meeting shall be deemed to have been duly convened if it is so agreed:

- (a) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
- (b) in the case of any other general meeting, by a majority in number of the members having the right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

57.3 Subject to Article **59** the notice shall be given to the members (other than any who, under the provisions of these Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and to the Auditors.

57.4 Notice of a general meeting of the Company may be given in hard copy form, in electronic form or by means of a website.

58. Contents of notice

58.1 The notice shall specify:

- (a) whether the meeting is an annual general meeting or a general meeting;
- (b) the place, the day and the time of the meeting;
- (c) the general nature of the business to be dealt with at the meeting;
- (d) if the meeting is convened to consider a special resolution, the intention to propose the resolution as such and the text of the resolution; and
- (e) with reasonable prominence, 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 also be a member.

59. Omission to send notice

59.1 The accidental omission to send a notice of meeting or in cases where it is intended that it be sent out with the notice, an appointment of proxy, whether by means of an instrument or contained in an electronic communication to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

60. Special Business

60.1 All business that is transacted at a general meeting shall be deemed special except the following transactions at an annual general meeting:

- (a) the declaration of dividends;
- (b) the receipt and consideration of the accounts and balance sheet, the reports of the Directors and the Auditors and any other documents required to be annexed to the balance sheet;
- (c) appointing or reappointing Directors (other than those of whose appointment special notice is required by the CA 2006) and the fixing of their fees pursuant to Article **105**; and
- (d) the reappointment of the Auditors retiring (unless they were last appointed otherwise than by the Company in general meeting) and the fixing of the remuneration of the Auditors or the determination of the manner in which such remuneration is to be fixed.

PROCEEDINGS AT GENERAL MEETINGS

61. Quorum

61.1 No business (other than the appointment of a Chairman) shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. The quorum shall be not less than two persons entitled to attend and to vote on the business to be

transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member.

62. If quorum not present

62.1 If within 15 minutes (or such longer interval as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the Chairman (or, in default, the Board) may determine. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, one person entitled to attend and to vote on the business to be transacted, being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

63. Chairman

63.1 The Chairman (if any) of the Board, failing whom a Deputy Chairman, shall preside as Chairman at every general meeting of the Company. In the event of two or more Deputy Chairmen being present, the Deputy Chairman to act as Chairman shall be decided by those Directors present. If there be no such Chairman or Deputy Chairman, or if at any meeting neither is present within five minutes after the time appointed for holding the meeting or shall be unwilling to act as Chairman, the Directors present shall choose one of their number (or, if no Director is present or if all the Directors present decline to take the chair, the members present in person or by proxy and entitled to vote shall choose one of their number) to be Chairman of the meeting.

64. Security and accommodation of members at meeting

64.1 The Board may make any arrangement and impose any restriction it considers appropriate to ensure the security of a general meeting including, without limitation, the searching of a person (whether a member or not) attending the general meeting and placing restrictions on the items of personal property that may be taken into the venue for the general meeting. The Board shall be entitled to refuse entry to a general meeting to any person (whether a member or not) who refuses to comply with these arrangements or restrictions.

64.2 The Board may, for the purpose of controlling the level of attendance at any place specified for the holding of a general meeting, from time to time make such arrangements (whether involving the issue of tickets, on a basis intended to afford to all members otherwise entitled to attend such meeting an equal opportunity of being admitted to the meeting, or the imposition of some random means of selection, or otherwise, as the Board shall in its absolute discretion consider to be appropriate) and may from time to time vary any such arrangements or make new arrangements in place therefor. The entitlement of any member or proxy to attend a general meeting at such place shall be subject to any such arrangements as may be for the time being in force and by the notice of meeting stated to apply to that meeting. In the case of any general meeting to which such arrangements apply the Board shall, and in the case of any other general meeting the Board may, when specifying the place of the general meeting:

- (a) direct that the meeting shall be held at a place specified in the notice at which the Chairman of the meeting shall preside (the "**Principal Place**"); and
- (b) make arrangements for simultaneous attendance and participation at other places by members otherwise entitled to attend the general meeting but excluded therefrom under the provisions of this Article or who wish to attend at any of such other places, provided that persons attending at the Principal Place and at any of such other places shall be able to see and hear and be seen and heard by persons attending at the Principal Place and at such other places.

64.3 Such arrangements for simultaneous attendance may include arrangements for controlling the level of attendance in any manner aforesaid at any of such other places, provided that they shall operate so that any such excluded members as aforesaid are able to attend at one of such other places. For the purposes of all other provisions of these Articles any such meeting shall be treated as being held and taking place at the Principal Place.

65. Power to adjourn

65.1 The Chairman of any general meeting may, with or without the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place as the meeting shall determine. However, without prejudice to any other power which he may have under these Articles or at common law, the Chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting, to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of.

66. Notice of adjourned meeting

66.1 Where a meeting is adjourned indefinitely, the Board shall fix the time and place for the adjourned meeting. Whenever a meeting is adjourned for 14 days or more or indefinitely, at least seven clear days' notice, specifying the place, the day and the time of the adjourned meeting and the general nature of the business to be transacted, shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting.

67. Business of adjourned meeting

67.1 No business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

68. Director may attend and speak

68.1 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company.

69. Amendment to resolutions

69.1 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 any error in such ruling shall not invalidate the proceedings on the substantive resolution.

69.2 With the consent of the Chairman, an amendment may be withdrawn by its proposer before it is voted upon.

69.3 In the case of a resolution duly proposed as a special resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted on.

69.4 No amendment to a resolution duly proposed as an ordinary resolution may be considered or voted on (other than a mere clerical amendment to correct a patent error) unless either (a) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and the intention to move it has been lodged at the Office, or (b) the Chairman in his absolute discretion decides that the amendment may be considered and voted on.

VOTING

70. Method of Voting

- 70.1 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by:
- (a) the Chairman of the meeting; or
 - (b) not less than five members present in person or by proxy and entitled to vote at the meeting; or
 - (c) a member or members present in person or by proxy and entitled to vote at the meeting and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) a member or members present in person or by proxy and entitled to vote and holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been Paid Up equal to not less than one-tenth of the total sum Paid Up on all shares conferring that right.

71. Votes of members

- 71.1 Subject to the provisions of the Statutes and these Articles and to any special rights or restrictions as to voting attached to any shares which may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to these Articles at any general meeting every member who is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy (in either case), shall on a show of hands have one vote and every member present in person or by proxy shall on a poll have one vote for every Ordinary Share of which he is the holder.
- 71.2 Subject to the provisions of the Statutes and these Articles and to any special rights or restrictions as to voting attached to any shares which may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to these Articles at any general meeting, a proxy has one vote for and one vote against a resolution if the proxy has been duly appointed by more than one member entitled to vote on the resolution, and the proxy has been instructed by one or more of those members to vote for the resolution and by one or more of the members to vote against it.
- 71.3 If two or more persons are joint holders of a share, then in voting on any question the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders. For this purpose seniority shall be determined by the order in which the names of the holders stand in the Register.
- 71.4 Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Board may, in its absolute discretion, on or subject to production of such evidence of the appointment as the Board may require, permit such receiver or other person to vote in person or by proxy on behalf of such member. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with these Articles for the deposit of appointments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised, and in default the right to vote shall not be exercisable.

72. **Restriction on voting rights for unpaid calls etc**

72.1 No member shall, unless the Board otherwise determines, be entitled to vote at a general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him or to exercise any right as a member unless all calls or other sums presently payable by him in respect of that share in the Company have been paid.

73. **Casting vote**

73.1 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll was demanded shall be entitled to a second or casting vote in addition to any other vote he may have.

74. **Procedure on poll**

74.1 Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken forthwith. A poll duly demanded on any other matter shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman shall direct. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

74.2 A demand for a poll may before the poll is taken be withdrawn but only with the consent of the Chairman. A demand so withdrawn shall validate the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

74.3 The demand for a poll (other than on the election of a Chairman or a resolution for adjourning the meeting) shall not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded.

74.4 On a poll votes may be given in person or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

75. **Failure to disclose interest in shares**

75.1 If any member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 of the CA 2006 has failed in relation to any shares (the "**default shares**") to give the Company the information thereby required within the prescribed period from the date of the notice the following sanctions shall apply unless the Board otherwise determines:

- (a) the member shall not be entitled in respect of the default shares to exercise any right conferred thereby to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (b) where the default shares represent not less than 0.25 per cent of the shares of the relevant class:
 - (i) any dividend or other money payable in respect of the shares shall be withheld by the Company which shall not have any obligation to pay interest on it and

the member shall not be entitled to elect pursuant to Article **160** to receive shares instead of a cash dividend; and/or

- (ii) no transfer, other than an approved transfer, of any shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required and the transfer when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Board 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.

75.2 Where the sanctions under Article **75.1** of this Article apply in relation to any shares, they shall cease to have effect:

- (a) if the shares are transferred by means of an approved transfer; or
- (b) at the end of the period of seven days (or such shorter period as the Board may determine) following receipt by the Company of the information required by the applicable notice or notices mentioned in Article **75.1** and the Board being fully satisfied that such information is full and complete.

75.3 Where, on the basis of information obtained from a member in respect of any share held by him, the Company issues a notice pursuant to section 793 of the CA 2006 to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of Article **75.1** above.

75.4 For the purpose of this Article:

- (a) a person other than the member holding a share shall be treated as appearing to be interested in any shares or, if applicable, rights to subscribe for, or convert to, shares if the member has informed the Company that the person is, or may be, so interested or if the Company (after taking account of any information obtained from the member or from a notice pursuant to section 793 of the CA 2006 or from anyone else) knows or has reasonable cause to believe that the person is, or may be, or has been so interested;
- (b) “**interested**” shall be construed in accordance with section 793 of the CA 2006;
- (c) a reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes a reference (i) to his having failed or refused to give all or any part of it and (ii) to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
- (d) the “**prescribed period**” means 14 days from the date of service of the notice under section 793 of the CA 2006;
- (e) an “**approved transfer**” means in relation to any shares held by a member:
 - (i) a transfer by way of or in pursuant to acceptance of a takeover offer for the Company (as defined in section 974 of the CA 2006);
 - (ii) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in shares; or

- (iii) a transfer in consequence of a sale made through a Recognised Person or any stock exchange outside the United Kingdom on which the Company's shares are normally traded.

75.5 Where any person appearing to be interested in the default shares has been duly served with a notice under section 793 of the CA 2006 and the default shares which are the subject of such notice are held by a Depositary the provisions of this Article shall be treated as applying only to such default shares held by the Depositary and not (in the absence of any other reason why they should be so treated) to any other shares held by the Depositary.

75.6 Where the member on which a notice under section 793 of the CA 2006 is served is a Depositary acting in its capacity as such the obligations of the Depositary as a member of the Company shall be limited to disclosing to the Company such information relating to any person appearing to be interested in the shares held by it as has been recorded by it pursuant to the arrangements entered into by the Company or approved by the Board pursuant to which it was appointed as a Depositary or otherwise.

75.7 Nothing contained in this Article **75** shall prejudice or affect the right of the Company to apply to the court for an order under section 798 of the CA 2006.

76. Objection to error in voting

76.1 No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, any vote, except at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that the same is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.

77. Chairman's declaration conclusive on a show of hands

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

78. Voting by Proxy

78.1 Any person (whether a member of the Company or not) may be appointed to act as a proxy. The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment thereof.

78.2 The Company shall not be required to check that a proxy votes in accordance with any instructions given by the member by whom he is appointed. Any failure to vote as instructed shall not invalidate the proceedings on the resolution.

79. Form of proxy

79.1 The appointment of a proxy, whether by means of an instrument or contained in an electronic communication, shall be in any common form or in such other form as the Board may approve and shall be executed in such manner as the Board may approve. Subject thereto, the appointment of a proxy shall be executed under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation shall be given under its common seal or executed in the manner permitted by section 44 of the CA 2006 or under the hand of an officer or attorney duly authorised in that behalf and shall be deemed (subject to any contrary

direction contained in the same) to confer authority to vote on a show of hands and demand or join in demanding a poll and to vote on any resolution or amendment of a resolution put to the meeting for which it is given as the proxy thinks fit, and shall confer the right to attend, speak and vote at the meeting except with the permission of the Chairman of the meeting or as otherwise determined by the Board where the relevant shares are held by a Depositary and unless the contrary is stated herein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

80. Deposit of proxy

80.1 The appointment of a proxy and the power of attorney or other authority (if any) under which it is executed, or a copy of such authority certified notarially (in the case of an appointment of a proxy in writing) or in some other way approved by the Board shall:

(a) in the case of an instrument in writing, be deposited at the Office or at such other place or places and in such location or locations as is or are specified in the notice convening the meeting or in any form of proxy sent out by the Company in relation to the meeting not more than 48 hours (excluding weekends and bank holidays) before the time of the holding of the meeting or adjourned meeting at which the person named in the form of proxy proposes to vote;

(b) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:

(i) in the notice convening the meeting;

(ii) in any form of proxy sent out by the Company in relation to the meeting; or

(iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,

be received at such address not more than 48 hours (excluding weekends and bank holidays) before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

(c) 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 more than 24 hours (excluding weekends and bank holidays) before the time appointed for the taking of the poll; or

(d) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman of the meeting or to any Director, the Secretary or some person authorised for the purpose by the Secretary,

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

No appointment of a proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.

81. More than one proxy may be appointed

81.1 A member may appoint more than one proxy to attend on the same occasion provided that the member must state in the instrument or electronic communication appointing each such proxy the number of shares in respect of which the appointment of that proxy is made. When two or

more valid but differing appointments of proxy are delivered in respect of the same share for use at the same meeting and in respect of the same matter, the one which is last validly delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered, none of them shall be treated as valid in respect of that share.

82. Board may supply proxy cards

82.1 The Board may at the expense of the Company send, by post, electronic communication or otherwise, appointments of proxy (reply-paid or otherwise) to members for use at any general meeting(s) or at any separate meeting(s) of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall subject to Article 59 be issued to all (and not some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy.

83. Revocation of proxy

83.1 A vote given or poll demanded in accordance with the terms of an appointment of proxy shall be valid notwithstanding the previous death or mental disorder of the principal or the revocation of the appointment of proxy or of the authority under which the appointment of proxy was executed or the transfer of the share in respect of which the appointment of proxy is given, unless notice in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office, or at such other place or places as has or have been appointed for the deposit of appointments of proxy, at least 48 hours before the commencement of the meeting or adjourned meeting or the taking of the poll at which the appointment of proxy is used.

84. Corporations acting by Representatives

84.1 A corporation (whether or not a company within the meaning of the Statutes) which is a member may by resolution of its directors or other governing body authorise such person (or if such corporation is a Depositary acting in its capacity as such, persons) as it thinks fit to act as its representative or, as the case may be, representatives at any meeting of the Company or at any separate meeting of the holders of any class of shares. Any person so authorised shall be entitled to exercise the same powers on behalf of the corporation (in respect of that part of the corporation's holdings to which the authority relates) as the corporation could exercise if it were an individual member. The corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it and all references to attendance and voting in person shall be construed accordingly. A Director, the Secretary or some person authorised for the purpose by the Secretary may require the representative to produce a certified copy of the resolution so authorising him before permitting him to exercise his powers. If multiple corporate representatives purport to exercise their rights in different ways, then the power is treated as not being exercised. The Company shall not be required to check that a corporate representative votes in accordance with any instructions given by the member by whom he is appointed. Any failure to vote as instructed shall not invalidate the proceedings on the resolution.

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

85. Number of Directors

85.1 Unless and until otherwise determined by the Company by ordinary resolution and subject to the Statutes the number of Directors shall be not less than two.

86. Age Limit and Eligibility of Directors

86.1 There shall be no maximum age limit on any Director and the Board shall have the discretion to appoint or re-appoint any Director regardless of his age. The Company shall have at least one Director who is a natural person.

87. Share Qualification

87.1 A Director shall not be required to hold any shares of the Company by way of qualification.

88. Power of Company to appoint Directors

88.1 Subject to the provisions of these Articles, the Company may by ordinary resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an addition to the existing Board.

89. Power of Board to appoint Directors

89.1 Without prejudice to the power of the Company to appoint any person to be a Director pursuant to these Articles, the Board shall have the power at any time to appoint any person who is willing to act as a Director either to fill a vacancy or as an addition to the existing Board but the total number of Directors shall not thereby exceed the maximum number (if any) fixed in accordance with these Articles. Any Director so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

90. Appointment of Executive Directors

90.1 Subject to the provisions of the Statutes, the Board may from time to time appoint one or more of its body to hold any employment or executive office on such terms and for such period as it may determine. The Board may revoke or terminate any such appointment without prejudice to any claim for breach of contract between the Director and the Company.

91. Eligibility of new Directors

91.1 No person, other than a Director retiring at the meeting, shall be appointed as a Director at any general meeting unless (a) he is recommended by the Board or (b) not less than seven nor more than 42 clear days before the date appointed for the meeting notice in writing signed by a member (other than the person to be proposed) duly qualified to vote at the meeting has been lodged with the Company at the Office stating the intention to propose that person for appointment and the particulars which would, if he were so appointed, be required to be included in the Company's register of Directors and a notice signed by the person to be proposed of his willingness to be appointed.

92. No multiple appointment

92.1 A resolution for the appointment of two or more persons as Directors by a single resolution shall not be proposed at any general meeting unless a resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against it. Any resolution proposed in contravention of this Article shall be void.

93. Vacation of office by a Director

93.1 Without prejudice to the provisions for retirement (by rotation or otherwise) contained in these Articles the office of a Director shall be vacated if:

- (a) he ceases to be a Director by virtue of any provision of the Statutes, is removed from office pursuant to these Articles or becomes prohibited or disqualified by law from being a Director;
- (b) he resigns by notice in writing delivered to the Secretary at the Office or tendered at a meeting of the Board;
- (c) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (d) an order is made by any court of competent jurisdiction on the grounds (howsoever formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his affairs or he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or equivalent legislation in any jurisdiction and the Board resolves that his office be vacated;
- (e) both he and his alternate Director appointed pursuant to the provisions of these Articles (if any) are absent, without the permission of the Board, from Board meetings for six consecutive months and the Board resolves that his office be vacated; or
- (f) he is requested to resign by notice in writing addressed to him at his last known address and signed by all his co-Directors (without prejudice to any claim for damages which he may have for breach of any contract of services between him and the Company).

94. Resolution as to vacancy conclusive

- 94.1 A resolution of the Board declaring a Director to have vacated office under the terms of Article 95.1 shall be conclusive as to the fact and grounds of vacation stated in the resolution.

95. Removal by ordinary resolution

- 95.1 The Company may by ordinary resolution remove any Director before the expiration of his period of office in accordance with the Statutes, but without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, and may (subject to these Articles) by ordinary resolution appoint another person who is willing to act to be a Director in his place. Any person so appointed shall be treated, for the purposes of determining the time at which he or any other Director is to retire, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed or re-appointed a Director.

96. Retirement by rotation

- 96.1 Subject to these Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation.

97. Directors subject to retirement by rotation

- 97.1 Subject to the provisions of the Statutes and of these Articles, the Directors to retire by rotation shall include, so far as necessary to obtain the number required, first, any Director who wishes to retire at the meeting and not to offer himself for re-election and secondly, those Directors who have been longest in office since their last appointment or re-appointment. As between two or more Directors who have been in office an equal length of time, the Director to retire shall in default of agreement between them be determined by lot provided always that

each Director shall be required to retire and offer himself for re-election at least every three years.

98. Position of retiring Director

98.1 A Director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to act, be re-elected. If he is not re-elected or deemed to have been re-appointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

99. Deemed re-appointment

99.1 At any general meeting at which a Director retires by rotation the Company may fill the vacancy and, if it does not do so, the retiring Director shall, if willing, be deemed to have been re-appointed unless it expressly resolved not to fill the vacancy or a resolution for the re-appointment of the Director is put to the meeting and lost.

ALTERNATE DIRECTORS

100. Appointments

100.1 Each Director (other than an alternate Director) may by notice appoint any other Director or any person approved for that purpose by the Board and willing to act, to be his alternate.

100.2 No appointment of an alternate Director shall be effective until his consent to act as a Director in the form prescribed by the Statutes has been received at the Office.

100.3 Subject to any approval required by Article **100.1** and receipt of the consent referred to in Article **100.2**, an appointment of an alternate Director shall take effect in accordance with the terms of the notice upon receipt of which shall, in the case of an instrument be at the Office or such other location as is approved by the Board or in the case of a notice contained in an electronic communication, be at such address (if any) as may for the time being be specified by the Company for that purpose.

100.4 An alternate Director need not hold a share qualification and shall not be counted in reckoning any maximum number of Directors allowed by these Articles.

101. Participation in Board meetings

101.1 Every alternate Director shall (subject to his giving to the Company an address within the United Kingdom (or such other country or territory as the Board may from time to time determine) at which notices may be served on him) be entitled to receive notice of all meetings of the Board and all committees of the Board of which his appointor is a member and, in the absence from such meetings of his appointor, to attend and vote at such meetings and to exercise all the powers, rights, duties and authorities of his appointor. A Director acting as alternate Director shall have a separate vote at Board meetings for each Director for whom he acts as alternate Director, but he shall count as only one for the purposes of determining whether a quorum is present.

102. Alternate Director responsible for own acts

102.1 Every person acting as an alternate Director shall be an officer of the Company, shall alone be responsible to the Company for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him.

103. Interests of alternate Director

103.1 An alternate Director shall be entitled to contract and be interested in and benefit from contracts and arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director. However, he shall not be entitled to receive from the Company any fees for his services as alternate, except only such part (if any) of the fee payable to his appointor as such appointor may by notice to the Company, whether by means of an instrument or contained in an electronic communication, direct. Subject to this Article, the Company shall pay to an alternate Director such expenses as might properly have been paid to him if he had been a Director.

104. Revocation of appointment

104.1 An alternate Director shall cease to be an alternate Director:

- (a) if his appointor ceases for any reason to be a Director, provided that if any Director retires but is re-appointed or deemed to be re-appointed at the same meeting, any valid appointment of an alternate Director which was in force immediately before his retirement shall remain in force; or
- (b) if any event happens in relation to him which, if he were a Director otherwise appointed, would cause him to vacate office; or
- (c) if his appointor revokes the appointment by notice which shall, in the case of an instrument, be delivered to the Secretary at the Office or in the case of a notice contained in an electronic communication, be received at such address (if any) as may for the time being be specified by the Company for that purpose.

DIRECTORS' REMUNERATION AND EXPENSES

105. Directors' Fees

105.1 The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum and on such terms as the Board may determine provided that the aggregate of such remuneration shall not exceed £300,000 per annum (such sum to be increased annually by a percentage amount equal to the percentage increase in the Retail Price Index (All Items) from the month of June 2009) or such larger sum as the Company in general meeting may from time to time determine. Such remuneration shall be divisible among the Directors as the Board may decide. Any fees payable pursuant to this Article shall be distinct from and shall not include any salary, remuneration or other amounts payable to a Director pursuant to any other provisions of these Articles and shall accrue from day to day.

106. Additional remuneration

106.1 If by arrangement with the Board, a Director shall perform or render any special duties or services which, in the opinion of the Board, are outside his ordinary duties as a Director, he may be paid such reasonable additional remuneration (whether by way of salary, commission, fees or otherwise) as the Board may from time to time determine.

107. Expenses

107.1 Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the discharge of his duties as a Director including any expenses incurred in attending meetings of the Board or of any committee of the Board or general meetings or separate meetings of the holders of any class of shares or debentures of the Company.

108. Remuneration of executive Directors

108.1 The salary or remuneration of any Director appointed to hold any employment or executive office in accordance with the provisions of these Articles may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the Board, and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to these Articles.

109. Pensions etc

109.1 The Board may procure the establishment and maintenance of or participate in, or contribute to any non-contributory or contributory pension or superannuation fund, scheme or arrangement or life assurance scheme or arrangement for the benefit of, and assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to, any persons who are or shall have been at any time Directors or in the employment or service of the Company or of any company which is or was a subsidiary or subsidiary undertaking of or associated with the Company or of the predecessors in business of the Company or of any such subsidiary or subsidiary undertaking or associated company or the wives, widows, families, relatives or dependants of any such persons.

109.2 The Board may also procure the establishment and subsidy of or subscription to and support of any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as are mentioned in Article **109.1** or otherwise to advance the interests and well-being of the Company or of any such other company as is mentioned in Article **109.1**, or its members, and may make or procure payments for or towards the insurance of any such persons as aforesaid and subscriptions or guarantees for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

109.3 Without prejudice to the generality of Articles **109.1** and **109.2**, the Board may, in general meeting, exercise any of the powers of the Company conferred by the Statutes to make provision for the benefit of any such persons as aforesaid in connection with the cessation or the transfer to any person of the whole or any party of the undertaking of the Company or any of its subsidiaries or subsidiary undertakings.

109.4 The Board may procure that any of such matters be done by the Company either alone or in conjunction with any other person.

DIRECTORS' INTERESTS

110. Directors may have interests

110.1 Subject to the provisions of the Statutes and provided that Articles **111** to **0** are complied with, a Director, notwithstanding his office, may:

- (a) enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested, either in regard to his tenure of any office, place of profit or position in the management, administration or conduct of the business of the Company or as vendor, purchaser or otherwise;
- (b) hold any other office or place of profit under the Company (except that of Auditor or auditor of a subsidiary of the Company) in conjunction with the office of Director for such period (subject to the Statutes) and upon such terms as the Board may decide and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board

may arrange, either in addition to or in lieu of any remuneration provided for by any other Article;

- (c) be a director or other officer, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment;
- (d) be or become a member or director of, or hold any other office or place of profit under, or otherwise be interested in, any holding company or subsidiary undertaking of that holding company or any other company in which the Company may be interested. The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of that other company to be exercised in such manner in all respects as it thinks fit (including the exercise of voting rights in favour of any resolution appointing the Directors or any of them as directors or officers of the other company or voting or providing for the payment of any benefit to the directors or officers of the other company); and
- (e) be or become a director of any other company in which the Company does not have an interest provided that such appointment cannot reasonably be regarded as likely to give rise to a conflict of interest at the time of such appointment.

111. Directors' interests other than in relation to transactions or arrangements with the Company

111.1 If a situation (a "**Relevant Situation**") arises in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest) the following provisions shall apply if the conflict of interest does not arise in relation to a transaction or arrangement with the Company:

- (a) if the Relevant Situation arises from the appointment or proposed appointment of a person as a Director, the Directors (other than the Director, and any other Director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the appointment of the Director and the Relevant Situation on such terms as they may determine; and
- (b) if the Relevant Situation arises in circumstances other than in Article **111(a)** above, the Directors (other than the Director and any other Director with a similar interest who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the Relevant Situation and the continuing performance by the Director of his duties on such terms as they may determine.

111.2 Any reference in Article **111.1** above to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

111.3 Any terms determined by Directors under Article **111.1(a)** or **111.1(b)** above may be imposed at the time of the authorisation or may be imposed or varied subsequently and may include (without limitation):

- (a) whether the interested Directors may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the Relevant Situation;
- (b) the exclusion of the interested Directors from all information and discussion by the Company of the Relevant Situation; and

- (c) (without prejudice to the general obligations of confidentiality) the application to the interested Directors of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the Relevant Situation.
- 111.4 An interested Director must act in accordance with any terms determined by the Directors under Articles **111.1(a)** or **111.1(b)** above.
- 111.5 Except as specified in Article **111.1** above, any proposal made to the Directors and any authorisation by the Directors in relation to a Relevant Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the Directors in accordance with the provisions of these Articles.
- 111.6 Any authorisation of a Relevant Situation given by the Directors under Article **111.1** above may provide that, where the interested Director obtains (other than through his position as a Director) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.
- 112. Declaration of interests other than in relation to transactions or arrangements with the Company**
- 112.1 A Director shall declare the nature and extent of his interest in a Relevant Situation within Articles **111.1(a)** or **111.1(b)** to the other Directors.
- 113. Declaration of interests in a proposed transaction or arrangement with the Company**
- 113.1 If a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he must declare the nature and extent of that interest to the other Directors.
- 114. Declaration of interest in an existing transaction or arrangement with the Company**
- 114.1 Where a Director is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company, he must declare the nature and extent of his interest to the other Directors, unless the interest has already been declared under Article **113** above.
- 115. Provisions applicable to declarations of interest**
- 115.1 The declaration of interest must (in the case of Article **114.1**) and may, but need not (in the case of Articles **112** or **113**) be made:
- (a) at a meeting of the Directors; or
 - (b) by notice to the Directors in accordance with:
 - (i) section 184 of the CA 2006 (notice in writing); or
 - (ii) section 185 of the CA 2006 (general notice).
- 115.2 If a declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.
- 115.3 Any declaration of interest required by Article **112** above must be made as soon as is reasonably practicable. Failure to comply with this requirement does not affect the underlying duty to make the declaration of interest.

- 115.4 Any declaration of interest required by Article **113** above must be made before the Company enters into the transaction or arrangement.
- 115.5 Any declaration of interest required by Article **114** above must be made as soon as is reasonably practicable. Failure to comply with this requirement does not affect the underlying duty to make the declaration of interest.
- 115.6 A declaration in relation to an interest of which the Director is not aware, or where the Director is not aware of the transaction or arrangement in question, is not required. For this purpose, a Director is treated as being aware of matters of which he ought reasonably to be aware.
- 115.7 A Director need not declare an interest:
- (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
 - (b) if, or to the extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
 - (c) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered:
 - (i) by a meeting of the Directors; or
 - (ii) by a committee of the Directors appointed for the purpose under these Articles.

116. Resulting profits, remuneration or other benefits

- 116.1 A Director shall not, by reason of his holding office as Director (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from:
- (a) any Relevant Situation authorised under Article **111.1**; or
 - (b) any interest permitted under Article **110** above,

and no contract, arrangement, transaction or proposal shall be liable to be avoided on the grounds of any Director having any type of interest authorised under Article **111.1** or permitted under Article **110** above.

117. Director's interest in own appointment

- 117.1 A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment or the termination of his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment or the termination of the appointment (including fixing or varying the terms of appointment or its termination) of two or more Directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals may 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 Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment or the termination of his own appointment.

118. **Interested Director not to vote or count for quorum**

118.1 Save as provided in this Article 0, a Director shall not vote (or be counted in the quorum at a meeting) in relation to any resolution relating to any transaction, arrangement, contract or proposal with the Company in which he has an interest which may reasonably be regarded as likely to give rise to a conflict of interest and, if he purports to do so, his vote shall not be counted, but this prohibition shall not apply and a Director may vote (and be counted in the quorum) in respect of any resolution concerning any one or more of the following matters:

- (a) any transaction or arrangement in which he is interested by virtue of an interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
- (b) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any person connected with him at the request of or for the benefit of the Company or any of its subsidiaries;
- (c) the giving to a third party of any 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;
- (d) the indemnification (including loans made in connection with it) by the Company in relation to the performance of his duties on behalf of the Company or of any of its subsidiary undertakings, where all other Directors are being offered indemnities on substantially the same terms;
- (e) the subscription or purchase by him of any shares, debentures or other securities of the Company or any of its subsidiaries pursuant to any offer or invitation or the underwriting or sub-underwriting by him of any such shares, debentures or other securities or any other contract, arrangement, transaction or proposal in which he may be interested by virtue of his being interested in, and in the same manner as other holders of, shares, debentures or other securities of the Company or any of its subsidiaries or otherwise in or through the Company;
- (f) any contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other company (including any subsidiary of the Company) (a "**relevant company**") in which he is interested, directly or indirectly (and whether as an officer or shareholder, creditor or otherwise) provided that he is not directly or indirectly the holder of or beneficially interested in one per cent or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure and Transparency Rules) in either a relevant company or an intermediate company (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances); for the purpose of this Article 0:
 - (i) an intermediate company means a company having an interest in a relevant company which would be material if held by a Director;
 - (ii) a Director shall be deemed to have an interest in one per cent or more of a relevant company or an intermediate company if directly or indirectly he is the holder of or beneficially interested in one per cent or more of any class of equity share capital or of the voting rights available to members of either such company; and
 - (iii) there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or is in remainder (if and so

long as some other person is entitled to receive the income from the trust) and any shares comprised in any authorised unit trust scheme in which the Director is interested only as a unit holder;

- (g) any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of a pension fund, retirement, death or disability benefits scheme or personal pension plan under which he may benefit and which either (i) has been approved by or is subject to and conditional on approval by the relevant taxing authorities for taxation purposes or (ii) 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
- (h) any contract, arrangement, transaction or proposal concerning the purchase and/or maintenance of any insurance policy pursuant to Article **183**.

119. Alternate Directors' interests

- 119.1 In the case of an alternate Director, an interest of his appointor shall be treated as an interest of the alternate in addition to any interest which the alternate otherwise has.

120. Chairman's ruling conclusive on Directors' interest

- 120.1 If any question arises at any meeting as to whether an interest of a Director (other than the Chairman of the meeting) may reasonably be regarded as likely to give rise to a conflict of interest or as to the entitlement of any Director (other than the Chairman of the meeting) to vote or be counted in the quorum in relation to a transaction or arrangement with the Company and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the Chairman of the meeting and his ruling in relation to the Director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned, so far as known to him, has not been fairly disclosed to the Board.

121. Directors' resolution conclusive on Chairman's interest

- 121.1 If any question arises at any meeting as to whether an interest of the Chairman may reasonably be regarded as likely to give rise to a conflict of interest or as to the entitlement of the Chairman to vote or be counted in a quorum in relation to a transaction or arrangement with the Company and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be decided by a resolution of the Directors or committee members present at the meeting (excluding the Chairman), whose majority vote shall be final and conclusive except in a case where the nature or extent of the interest of the Chairman of the meeting, so far as known to him, has not been fairly disclosed to the Board.

122. Company may suspend or relax provisions

- 122.1 Subject to the provisions of the Statutes, the Company may by ordinary resolution suspend or relax the provisions of Articles **110** to **121** to any extent, either generally or in respect of any particular matter, or ratify any transaction or arrangement not duly authorised by reason of a contravention of these Articles provided always that none of the shares in which any of the Directors is interested, or deemed to be interested, for the purposes of the Statutes, shall entitle the holder or holders thereof (whether or not a Director) to vote (either personally or by proxy) on any such ordinary resolution.

123. Definitions

- 123.1 For the purposes of Articles **110** to **122**:

- (a) an interest of a person who is for the purposes of the CA 2006 connected (which word shall have the meaning given thereto by sections 252 to 255 of the CA 2006) with a Director shall be treated as an interest of the Director; and
- (b) in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director in addition to any interest which the alternate Director otherwise has.

PROCEEDINGS OF THE DIRECTORS

124. Regulation of Board meetings

- 124.1 Subject to the provisions of these Articles, the Board may meet for the despatch of business, adjourn and otherwise regulate their meetings as it thinks fit.

125. Notice of Board meetings

- 125.1 A Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors. Notice of Board meetings shall be given to all Directors. Notice of a Board meeting shall be given to a Director who is not within the United Kingdom by instrument or by electronic communication to such address (if any) as the Director may for the time being specify for that purpose that notices of Board meetings shall during his absence be sent to him, including (i) to another address given by him to the Company for this purpose, whether or not outside the United Kingdom or (ii) by electronic communication to such address (if any) as he may for the time being specify to the Company for that purpose, but in either case he shall not be entitled to a longer period of notice than if he had been present in the United Kingdom. A Director may waive notice of any Board meeting either prospectively or retrospectively.

126. Quorum

- 126.1 The quorum necessary for the transaction of the business may be determined by the Board and until otherwise so determined shall be two persons each being a Director or an alternate Director. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Board.

127. Chairman of the Board

- 127.1 The Board may appoint one of its body as Chairman to preside at every Board meeting at which he is present and no more than two other members as Deputy Chairmen. The Board may determine the period for which the Chairman is or the Deputy Chairman are to hold office and may at any time remove him or them from office. If no such Chairman or Deputy Chairman is elected, or if at any meeting neither the Chairman nor a Deputy Chairman is present within five minutes of the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting. In the event of two or more Deputy Chairmen being present, the Deputy Chairman to act as Chairman shall be decided by those Directors present. Any Chairman or Deputy Chairman may also hold executive office under the Company.

128. Voting

- 128.1 Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote.

129. Participation by telephone

129.1 Without prejudice to Article **124**, any Director or his alternate may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone, a video conference facility or other similar form of communication equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the Chairman of the meeting then is.

130. Resolution in writing

130.1 A resolution in writing executed by all the Directors for the time being entitled to receive notice of a Board meeting and not being less than a quorum, or by all the members of a committee of the Board shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the Board (or committee of the Board, as the case may be). Such a resolution:

- (a) may be by means of an instrument or contained in an electronic communication sent to such address (if any) as may for the time being be specified by the Company for that purpose;
- (b) may consist of several instruments (including facsimile transmissions) or electronic communications in the same form each executed by one or more of the Directors or members of the relevant committee;
- (c) need not be signed by an alternate Director if it is signed by the Director who appointed him; and
- (d) if signed by an alternate Director need not also be signed by his appointor.

131. Proceedings of committee

131.1 All committees of the Board shall, in the exercise of the powers delegated to them and in the transaction of business, conform to any mode of proceedings and regulations which the Board may prescribe and subject thereto shall be governed by such of these Articles as regulate the proceedings of the Board as are capable of applying.

132. Minutes of proceedings

132.1 The Board shall cause minutes to be made in books kept for the purpose:

- (a) of all appointments of officers and committees made by the Board; and
- (b) of all orders, resolutions and proceedings at every meeting of the Company, of the Board and of any committee of the Board.

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

133. Validity of proceedings

133.1 All acts done by a meeting of the Board, or of a committee of the Board, or by any person acting as a Director, alternate Director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any person or

persons acting as aforesaid, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office, be as valid as if every such person had been duly appointed, and was duly qualified and had continued to be a Director, alternate Director or member.

134. Exercise by the Board of voting powers

134.1 The Board may exercise the voting powers conferred by the shares in any company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit including the exercise thereof in favour of any resolution appointing themselves or any of them directors or officers of such company, or voting or providing for the payment of remuneration, superannuation payments or other benefits to the directors or officers of such company.

135. Powers of Directors being less than minimum number

135.1 If the number of Directors is less than the minimum for the time being prescribed by these Articles, the remaining Director or Directors shall act only for the purposes of appointing an additional Director or Directors to make up such minimum or of convening a general meeting of the Company for the purpose of making such appointment. If there are no Director or Directors able or willing to act, any two members may summon a general meeting for the purpose of appointing Directors. Subject to the provisions of these Articles, any additional Director so appointed will hold office only until the dissolution of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting.

POWERS OF THE BOARD

136. General

136.1 Subject to the provisions of the Statutes and these Articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of these Articles and no such direction given by the Company shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or such direction had not been given. The 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.

137. Powers of executive Directors

137.1 The Board may delegate or entrust to and confer on any Director holding any executive office (including the Chairman or a Deputy Chairman or a Chief Executive or a Managing Director) such of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit, and may revoke, withdraw, alter or vary all or any of such powers.

138. Board may exercise borrowing powers

138.1 Subject to Article **139**, the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge the whole or any part of its undertaking, property and assets (present and future) and uncalled capital and, subject to the provisions of the Statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

139. Restriction on borrowing powers

139.1 The Board shall restrict the borrowings of the Company and exercise all voting and other rights, powers of control or rights of influence exercisable by the Company in relation to its

subsidiary undertakings (if any) so as to secure (so far, as regards subsidiary undertakings, as by such exercise it can secure) that the aggregate amount for the time being outstanding of all Moneys Borrowed by the Group and for the time being owing to persons outside the Group shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to the higher of £100m or ten (10) times the Adjusted Capital and Reserves.

139.2 For the purpose of Article 139.1 the following expressions shall have the following meanings:

“Adjusted Capital and Reserves” means at any relevant time a sum equal to the aggregate, as shown by the Relevant Balance Sheet, of (i) the amount Paid Up on the issued or allotted share capital of the Company and (ii) the amount standing to the credit of the reserves of the Group (including the profit and loss account and any share premium account or capital redemption reserve) in the Relevant Balance Sheet but after:

- (i) deducting therefrom any debit balance on profit and loss account;
- (ii) making such adjustments as may be appropriate in respect of any variation in the amount of such Paid Up share capital and/or any such reserves since the date of the Relevant Balance Sheet resulting from the issue, redemption, purchase or reduction of the Company’s share capital and so that for this purpose if any issue or proposed issue of shares by the Company for cash has been underwritten, then such shares shall be deemed to be issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been Paid Up on the date when the issue of such shares was underwritten (or if such underwriting was conditional on the date when it became unconditional);
- (iii) making such adjustments as may be appropriate in respect of any distribution declared or recommended or made by the Company or any of its subsidiary undertakings (to the extent not attributable directly or indirectly to the Company) out of profits earned up to and including the date of the Relevant Balance Sheet and to the extent that such distribution is not provided for in the Relevant Balance Sheet;
- (iv) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiary undertakings (including a variation whereby an undertaking becomes or ceases to be a subsidiary undertaking) since the date of the Relevant Balance Sheet; and
- (v) excluding minority interests in subsidiary undertakings to the extent not already excluded;

“the Group” means the Company and its subsidiary undertakings for the time being;

“the “Minority Proportion” means in relation to a partly owned subsidiary undertaking that proportion which the issued ordinary share capital of that subsidiary undertaking which is not for the time being beneficially owned directly or indirectly by the Company bears to the whole of the issued ordinary share capital of that subsidiary undertaking;

“Moneys Borrowed” shall be deemed to include (to the extent that the same would not otherwise fall to be taken into account):

- (i) the amount of all debentures allotted or issued (whether or not for cash or partly for cash) by any member of the Group which are not for the time being beneficially owned by a company within the Group;
- (ii) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any

member of the Group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;

- (iii) the amount of any other allotted or issued share capital and of any other debentures or other Moneys Borrowed (not being shares or debentures or Moneys Borrowed the indebtedness in respect of which is for the time being beneficially owned within the Group) or the redemption or repayment of which is guaranteed or secured by or is the subject of an indemnity given by any member of the Group or which any member of the Group may be required to purchase;
- (iv) the amount of any allotted or issued share capital (other than equity share capital) which as regards rights as to dividends and capital has rights no more favourable than those attached to its ordinary share capital) of any subsidiary undertaking which is a body corporate of the Company not for the time being beneficially owned by other members of the Group;
- (v) the Minority Proportion of Moneys Borrowed and owing to a partly-owned subsidiary undertaking by another member of the Group;
- (vi) the aggregate amount owing by any member of the Group under financial leases (as determined in accordance with any then current Financial Reporting Standard or Statement of Standard Accounting Practice or otherwise in accordance with United Kingdom generally accepted accounting principles but excluding leaseholds of immovable property);
- (vii) the principal amount of any book debts of any member of the Group which have been sold or agreed to be sold, to the extent that any member of the Group is for the time being liable to indemnify or reimburse the purchaser in respect of any non-payment in respect of such book debts;
- (viii) any part of the purchase price of any assets acquired by any member of the Group, the payment of which is deferred beyond the date of completion of the conveyance, assignment or transfer of the legal estate to such assets or, if no such conveyance, assignment or transfer is to take place within six months after the date on which the contract for such purchase is entered into or (if later) becomes unconditional, beyond that date;

but shall be deemed not to include:

- (i) the Minority Proportion of the Moneys Borrowed by any partly-owned subsidiary undertaking of the Company and not owing to another member of the Group; or
- (ii) Moneys Borrowed by any member of the Group for the purpose of repaying, redeeming or purchasing (with or without a premium) in whole or in part any other Moneys Borrowed falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof pending the application for such purpose or, if earlier, the end of such period; or
- (iii) until a date six months after the date on which a company became or becomes a subsidiary undertaking an amount equal to the Moneys Borrowed by such company unless such borrowing was made or incurred in contemplation or as part of the transaction under which such company became or becomes a subsidiary undertaking; or
- (iv) any amounts borrowed by any member of the Group from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business; or

- (v) any amounts borrowed from bankers to the extent that such moneys are matched by deposits of sums in sterling to the credit of accounts with the same bankers (whether or not such accounts are maintained by the person effecting such borrowing and whether or not rights of set off or security apply);

and so that:

- (i) in respect of Moneys Borrowed in or calculated by reference to a currency other than sterling, the provisions of Article **139.5** shall apply; and
- (ii) no amount shall be taken into account as Moneys Borrowed more than once in the same calculation; and
- (iii) in determining the amount of any debentures or other Moneys Borrowed or of any share capital for the purpose of this definition there shall be taken into account the nominal or principal amount thereof (or, in the case of partly paid debentures or shares, the amount for the time being Paid Up thereon) together with any fixed or minimum premium payable on final redemption or repayment; provided that if moneys are borrowed or shares are issued on terms that they may be repayable or redeemable (or that any member of the Group may be required to purchase them) earlier than their final maturity date (whether by exercise of an option on the part of the issuer or the creditor or a trustee for the creditor) or the shareholder, by reason of a default (or for any other reason) at a premium or discount to their nominal or principal amount then there shall be taken into account the amount (or the greater or greatest of two or more alternative amounts) which would, if those circumstances occurred, be payable on such repayment, redemption or purchase at the date as at which the calculation is being made; and

“the Relevant Balance Sheet” means at any time the latest audited consolidated balance sheet dealing with the state of affairs of the Company and (with or without exceptions) its subsidiary undertakings.

- 139.3 For the purposes of any computation pursuant to this Article the Auditors may in their discretion make such further or other adjustments (if any) as they think fit.
- 139.4 The determination of the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of any Moneys Borrowed or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence (save in the case of manifest error) of such amount or fact for the purposes of this Article **139**. Nevertheless for the purposes of this Article **139**, the board may act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves at any time and if in consequence the limit referred to in Article **139.1** is inadvertently exceeded, an amount of Moneys Borrowed equal to the excess may be disregarded until the expiration of three months after the date on which by reason of a determination of the Auditors or otherwise the Board become aware that such event has or may have arisen.
- 139.5 For the purposes of this Article **139** Moneys Borrowed expressed in or calculated by reference to a currency other than sterling shall be converted into sterling at the relevant rate of exchange used for the purposes of the Relevant Balance Sheet save that Moneys Borrowed (or first brought into account for the purposes of this Article) since the date of such balance sheet shall be converted at the rate of exchange or approximate rate of exchange (determined on such basis as the Auditors may determine or approve) ruling on the date on which such moneys are borrowed (or first taken into account as aforesaid) provided that in the case of any bank overdraft or other borrowing of a fluctuating amount (together herein described as an **“Overdraft Account”**) the following further provisions shall apply:

- (a) if the amount outstanding on an Overdraft Account on a date as at which a calculation is being made for the purpose of the foregoing limit is not more than the amount outstanding on such Overdraft Account at the date of the Relevant Balance Sheet, the whole of such amount shall be converted at the rate of exchange used for the purpose of such balance sheet;
- (b) if the amount outstanding on an Overdraft Account on a date as at which the calculation is being made for such purpose exceeds the amount which was outstanding on the same Overdraft Account at the date of the Relevant Balance Sheet (or if the latter amount is nil), an amount equal to the excess shall be converted at the rate of exchange or approximate rate of exchange (determined on such basis as the Auditors may determine or approve) on the last business day preceding the date as on which the calculation is being made for such purpose and the balance shall be converted at the rate of exchange used for the purpose of the said balance sheet.

139.6 No person dealing with the Company or any of its subsidiary undertakings shall be concerned to see or enquire whether the limit referred to in Article **139.1** is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.

140. **Delegation to committees**

140.1 The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit to any committee consisting of one or more Directors and (if thought fit) one or more other persons, provided that:

- (a) a majority of the members of a committee shall be Directors or alternate Directors; and
- (b) no resolution of a committee shall be effective unless a majority of those present when it is passed are Directors (or their alternates).

140.2 The Board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary any of such powers and discharge any such committee in whole or in part. Insofar as any power, authority or discretion is so delegated, any reference in these Articles to the exercise by the Board of such power, authority or discretion shall be construed as if it were a reference to the exercise of such power, authority or discretion by such committee.

141. **Local management**

141.1 The Board may establish any local or divisional boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local or divisional board, or any managers or agents, and may fix their remuneration. The Board may delegate to any local or divisional board, manager or agent any of its powers, authorities and discretions, with power to sub-delegate, and may authorise the members for the time being of any such local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies, and any such appointment or delegation may be made for such time on such terms and subject to such conditions as the Board may think fit. The Board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary all or any of such powers. Subject to any terms and conditions expressly imposed by the Board, the proceedings of any local or divisional board or agency with two or more members shall be governed by such of these Articles as regulate the proceedings of the Board, so far as they are capable of applying.

142. Power of Attorney

142.1 The Board may by power of attorney or otherwise appoint any person or persons to be the agent of the Company and may delegate to any such person or persons any of its powers, authorities and discretions (with power to sub-delegate), in each case for such purposes and for such time, on such terms (including as to remuneration) and subject to such conditions as it thinks fit. The Board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary any of such powers.

143. Register and Branch registers

143.1 The Company shall enter on the Register how many shares are held by each member in uncertificated form and in certificated form and shall maintain the Register in each case as is required by the Regulations and the relevant system concerned.

143.2 The Register shall be open for inspection at all times.

143.3 Subject to and to the extent permitted by the Statutes, the Board may cause to be kept in any territory a branch register of members resident in such territory, and the Board may make and vary such regulations as it may think fit in relation to the keeping of any such register.

144. Change of Company Name

144.1 The Company's name may be changed by a resolution of the Board.

145. Signatures on cheques etc

145.1 All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

THE SECRETARY

146. The Secretary

146.1 Subject to the provisions of the Statutes, the Board shall appoint a Secretary or joint secretaries and shall have power to appoint one or more persons to be an assistant or deputy secretary at such remuneration and on such conditions as it thinks fit. Any person so appointed may be removed by the Board.

146.2 Any provision of the Statutes or 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 place of, the Secretary.

AUTHENTICATION OF DOCUMENTS

147. General

147.1 Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed at any general meeting or at any separate meeting of the holders of any class of share or by the Board or any committee of the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies of extracts. Where any books, records,

documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board for the purposes of authentication. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or of any committee of the Board which is certified as aforesaid shall be conclusive evidence that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

RESERVES

148. Reserves

148.1 The Board may before recommending any dividends (whether preferential or otherwise) carry to reserve out of the profits of the Company such sums as it thinks fit. All sums standing to the reserve may be applied from time to time at the discretion of the Board for any other purpose to which the profits of the Company may properly be applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board thinks fit. The Board may divide the reserve into such special funds as it thinks fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as it thinks fit. Any sum which the Board may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute.

149. Use of Reserves: Share Option Schemes

149.1 Notwithstanding any other provisions contained in these Articles, if an option to subscribe for shares is granted to a person when he is a Director, officer or employee of the Company or any of its subsidiaries or an adjustment is made (whether before or after the date of adoption of these Articles) to the terms of any option to subscribe for shares which was granted to a person at a time when he was a Director, officer or employee of the Company or any of its subsidiaries and:

- (a) in the case of the grant of an option, the aggregate subscription price payable in respect of any shares on the full or partial exercise of the option would be less than the aggregate nominal value of such shares; or
- (b) in the case of an adjustment, such adjustment results in the aggregate subscription price payable in respect of any shares on the full or partial exercise of any option being less than the aggregate nominal value of such shares; or
- (c) in the case of an adjustment, such adjustment results in the new aggregate subscription price payable in respect of any shares on the full or partial exercise of any option exceeding the original aggregate subscription price (by reason of any restriction on making an adjustment which reduces the subscription price below the nominal value of the relevant shares);

the Directors may on or within 30 days of the full or partial exercise of the relevant option capitalise all or any part of the sum standing to the credit of any of the Company's reserve accounts (including, in the case of an allotment to any member of the Company, any share premium account or the capital redemption reserve or other undistributable reserve) by appropriating such sum to the optionholder concerned and applying such sum on his behalf in paying up in full the Relevant Number of new shares.

149.2 For the purposes of Article **149.1**, the "Relevant Number" shall be:

- (a) in the case of Article **149.1(a)** and **149.1(b)**, such number of shares the nominal value of which is equal to the difference between the aggregate subscription price and the aggregate nominal value of the shares to which he is entitled on the exercise of the option; and
- (b) in the case of Article **149.1(c)** such number of shares the value of which (by reference, in the case of shares which are admitted to trading on AIM, to the middle market price of the shares as derived from SEATS PLUS or in the case of shares which are admitted to the Official List of the UK Listing Authority, to the middle market price of the shares as derived from the London Stock Exchange Daily Official List in either case on the business day preceding the date of allotment) provides to such person, in the opinion of the Directors, appropriate compensation for the difference between the aggregate subscription price that would have been payable based on the original subscription price.

The Directors may take such steps as they consider necessary to ensure that the Company has sufficient reserves available for such application. No further authority of the Company in general meeting shall be required.

DIVIDENDS

150. Declaration of Dividends

- 150.1 Subject to the provisions of the Statutes and of these Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company, but no dividend shall exceed the amount recommended by the Board.

151. Interim Dividends

- 151.1 Subject to the provisions of the Statutes, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the financial position of the Company. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those with preferential rights.

152. Entitlement to Dividends

- 152.1 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts Paid Up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid proportionally to the amounts Paid Up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly.

153. Dividends not to bear interest

- 153.1 Except as otherwise provided by the rights attached to a share no dividend or other moneys payable by the Company or in respect of such share shall bear interest as against the Company.

154. Restriction for Liens

154.1 The Board may retain any dividend or other moneys payable by the Company or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

155. Persons entitled by transmission

155.1 The Board may retain the dividends payable upon shares in respect of which any person is, under the provisions of these Articles relating to the transmission of shares, entitled to become a member, or to transfer such shares, until such person shall become a member in respect of such shares or the shares are transferred.

156. Waivers

156.1 The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member or the person entitled to the share by transmission and delivered to the Company and is accepted or acted upon by the Company.

157. Calls or debts may be deducted from dividends

157.1 The Board may deduct from any dividend or other money payable to any person on or in respect of a share all such sums as may be due from him to the Company on account of calls or otherwise in relation to the shares of the Company.

158. Distribution in specie

158.1 The Board may direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets of any kind, and in particular of Paid Up shares or securities or debentures of any other company, or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks fit. In particular, the Board may:

- (a) issue fractional certificates (or ignore fractions);
- (b) fix the value for distribution of such assets or any part thereof and determine that cash payments may be made to any members on the basis of the value so fixed, in order to adjust the rights of members; and
- (c) vest any such assets in trustees on trust for the persons entitled to the dividend.

159. Uncashed dividends

159.1 If cheques or orders for dividends or other moneys payable in respect of a share sent by the Company to the person entitled thereto are left uncashed or returned to the Company undelivered on two consecutive occasions or on one occasion if such cheque or order is returned to the Company undelivered and the Board having made reasonable enquiries has failed to establish a new address for the person entitled thereto, the Company shall not be obliged to send any dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

160. Unclaimed dividends

160.1 All dividends unclaimed for 12 months after having become payable 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 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall cease to remain owing by the Company.

161. Method of payment

- 161.1 The Company may pay any dividend, interest or other sum payable in respect of a share by cheque, dividend or money order or by any other method (including electronic media) and may send the same by post or other delivery service to the registered address (or in the case of a Depository, subject to the approval of the Board, such person and addresses) of the member or person entitled to it or, if two or more persons are holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the member or otherwise by operation of law, to the registered address of such of those persons as is first named in the Register or to such person and to such address as such member or person or persons may direct in writing.
- 161.2 Any dividend, interest or other sum payable in respect of a share may also be paid by any other method (including direct debit or autopay or bank transfer) as the Board considers appropriate. Without prejudice to the generality of the foregoing, in the case of Uncertificated Shares, such payment may be made by means of or in a manner consistent with a relevant system (subject always to the facilities and requirements of the relevant system concerned) including the sending by the Company or by any person on its behalf of an instruction to the Operator of the relevant system to credit the cash memorandum account of the holder or joint holders or, if permitted by the Company, of such person as the holder or joint holders may in writing direct.
- 161.3 Every cheque or order or payment by other method is sent at the risk of the person entitled to the money represented by it and shall be made payable to the order of the person or persons entitled, or to such other person as the person or persons entitled may direct in writing.
- 161.4 Payment of the cheque, order or, in the case of Uncertificated Shares, payment in accordance with the facilities and requirements of the relevant system concerned, shall be a good discharge to the Company. If any such cheque, order or payment has or shall be alleged to have been lost, stolen or destroyed or misdirected, a replacement cheque or order or, in the case of Uncertificated Shares, further payment by other method, may, on request of the person entitled thereto, be issued or made subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Board may think fit.
- 161.5 Any joint holder or other person jointly entitled to a share may give an effective receipt for any dividend or other moneys payable in respect of such share.
- 161.6 The Board may at its discretion make provisions to enable a Depository and/or any other member as it shall from time to time determine to receive dividends duly declared in such currency or currencies other than pounds sterling and at such rate or rates of exchange and on such terms and conditions as the Board may in its absolute discretion determine.

162. Scrip dividends

- 162.1 The Board may if authorised by an ordinary resolution of the Company, offer holders of Ordinary Shares the right to elect to receive new Ordinary Shares, credited as fully paid, instead of cash in respect of the whole or such part of any dividend as may be determined by the Board. In which case, the following provisions shall apply:
- (a) the said ordinary resolution may specify a particular dividend, or may specify all or any dividends declared or to be declared or paid in respect of a specified period or periods;
 - (b) save as otherwise determined by the Board, the entitlement of each holder of Ordinary Shares to new Ordinary Shares shall be such that the relevant value of the

entitlement (disregarding any tax credit) of the dividend that such holder would have received by way of the dividend foregone. For the purpose of this Article **162.1(b)** “**relevant value**” shall (save where the Board otherwise determines) be calculated by reference to the average of the middle market quotations for the Company’s Ordinary Shares on AIM as derived from SEAT PLUS or on the London Stock Exchange as derived from the Daily Official List, on the day on which the Ordinary Shares are first quoted “ex” the relevant dividend and the four dealing days immediately thereafter, or in such other manner as may be determined by or in accordance with the ordinary resolution. A certificate or report by the Auditors as to the amount of the relevant value of any dividend shall be conclusive evidence of that amount;

- (c) on or as soon as practicable after announcing that it is to declare or recommend any dividend, the Board, if it intends to offer an election in respect of that dividend, shall also announce that intention, and shall, after determining the basis of allotment, notify the holders of Ordinary Shares in writing of the right of election offered to them, and specify the procedure to be followed and the place at which, and the latest time by which, elections must be lodged in order to be effective;
- (d) the power conferred on the Board by this Article shall not be exercised unless the Board has sufficient authority to allot shares in the capital of the Company and sufficient reserves or funds that may be capitalised after the basis of allotment is determined in each case to give effect to the terms of any election offered pursuant to this Article;
- (e) the Board may at any time in its discretion amend, suspend or terminate any offer of the right to elect to receive Ordinary Shares in lieu of any cash dividend;
- (f) the Board may exclude from any offer any holders of Ordinary Shares or any Ordinary Shares held by a Depository where the Board considers that the making of the offer to them or in respect of such shares would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them or in respect of such shares;
- (g) no fraction of a share shall be allotted; the Board may make such provisions as it thinks fit for any fractional entitlement including provisions whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any holder and such accruals or retentions are applied to the allotment by way of bonus to or cash subscription on behalf of such holder of fully paid shares and/or provisions whereby cash payments may be made to holders in respect of their fractional entitlements;
- (h) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect of which an election has been made (the “**Elected Ordinary Shares**”) and instead additional Ordinary Shares shall be allotted to the holders of the Elected Ordinary Shares on the basis of allotment determined as aforesaid. For such purpose, the Board shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on such basis and apply it in paying up in full the appropriate number of Ordinary Shares, for allotment and distribution to the holders of the Elected Ordinary Shares on such basis; and
- (i) the additional Ordinary Shares when allotted shall rank pari passu in all respects with the fully paid Ordinary Shares then in issue save only as regards participation in the dividend in place of which they were allotted.

162.2 Subject to the Statutes, the Board may allot and issue any new Ordinary Shares pursuant to Article **162.1** of this Article without any further authority or consent from the Company and may do all such other acts and things it considers necessary or expedient to give effect to the allotment and issue of any Ordinary Shares and any capitalisation in accordance with the provisions of Article **162.1** of this Article or otherwise in connection with any offer made pursuant to this Article. The Board may authorise any person on behalf of all the holders of Ordinary Shares concerned, to enter into an agreement with the Company providing for the allotment to them of such new Ordinary Shares on the terms determined as aforesaid and any agreement made under such authority shall be effective and binding on all such holders.

162.3 The Board may on any occasion determine that rights of election under Article **162.1** shall not be made available to holders of Ordinary Shares who are registered in the Register, or in respect of Ordinary Shares the transfer of which is registered, after such date as the Board may fix, subject to such exceptions as the Board thinks fit, and in such event the provisions aforesaid shall be read and construed subject to such determination. The Board may also on any occasion determine that every duly effective election shall be binding on every successor in title to the Ordinary Shares (or any of them) of the holder(s) who has/have effected such election in respect thereof.

163. **Capitalisation of reserves**

163.1 The Board may, with the authority of an ordinary resolution of the Company:

- (a) subject as provided in this Article, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company which is available for distribution or standing to the credit of share premium account or capital redemption reserve or other undistributable reserve;
- (b) appropriate the sum resolved to be capitalised to the holders of Ordinary Shares in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those holders of Ordinary Shares or as they direct, in those proportions, or partly in one way and partly in the other, provided that the share premium account, the capital redemption reserve, any other undistributable reserve and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up shares to be allotted to holders of Ordinary Shares credited as fully paid;
- (c) resolve that any shares so allotted to any holder of Ordinary Shares in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends;
- (d) make such provision by the issue of fractional certificates (or by ignoring fractions or by accruing the benefit thereof to the Company rather than to the holders of Ordinary Shares concerned) or by payment in cash or otherwise as it thinks fit in the case of shares or debentures becoming distributable in fractions;
- (e) authorise any person to enter on behalf of all the holders of Ordinary Shares concerned into an agreement with the Company providing for either (i) the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled on such capitalisation or (ii) the payment up by the Company on behalf of such holders by the application thereto of their respective proportions of the

reserves or profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares (any agreement made under such authority being effective and binding on all such holders); and

(f) generally do all acts and things required to give effect to such resolution.

164. Record dates

164.1 Subject to the Statutes, notwithstanding any other provision of these Articles, but without prejudice to the rights attached to any shares, the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue. Such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

ACCOUNTS

165. Accounting records

The Board shall cause accounting records to be kept in accordance with the CA 2006.

166. Inspection of records

166.1 The accounting records of the Company shall at all times be open to inspection by the Directors or the Secretary. No other person (including a member) shall have any right to inspect any accounting record or other document of the Company unless he is authorised to do so by statute, by order of a court of competent jurisdiction, by the Board or by ordinary resolution of the Company.

167. Accounts to be sent to members

167.1 Except as provided in Article **168** a printed copy of the Directors' and Auditors' reports accompanied by printed copies of the balance sheet and every document required by the Statutes to be annexed to the balance sheet and of the profit and loss account or income and expenditure account (subject to the provisions of the Statutes) shall, not less than 21 clear days before the annual general meeting before which they are to be laid, be delivered or sent to every member and holder of debentures of the Company and to the Auditors. However, this Article shall not require a copy of those documents to be sent to any person who under the provisions of these Articles is not entitled to receive notices from the Company or of whose address the Company is unaware or to any holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures. If all or any of the shares in or debentures of the Company are listed or dealt in on any stock exchange, there shall at the same time be forwarded to the secretary of that stock exchange such number of copies of each of these documents as the regulations of that stock exchange may require.

168. Summary financial statements

168.1 The Company may, in accordance with section 426 of the CA 2006 and any regulations made under it, send a summary financial statement to any member instead of or in addition to the documents referred to in Article **167**. Where it does so, the statement shall be delivered or sent to the member not less than 21 clear days before the annual general meeting before which those documents are to be laid.

AUDITORS

169. **Auditors**

- 169.1 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes.
- 169.2 Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

NOTICES

170. **Notices to be in writing or electronic form**

- 170.1 Any notice (other than a notice convening a meeting of the Board) to be given to or by any person pursuant to these Articles shall be in writing. Nothing in these Articles shall effect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.
- 170.2 Any document, information or notice is validly sent or supplied by the Company in electronic form:
- (a) to a person if that person has agreed (generally or specifically) that the document, information or notice may be sent or supplied in that form and has not revoked that agreement; or
 - (b) to a company that is deemed to have so agreed by the CA 2006.
- 170.3 Any document, information or notice is validly sent or supplied by the Company by electronic means if it is sent or supplied:
- (a) to an address specified for the purpose by the intended recipient (generally or specifically); or
 - (b) where the intended recipient is a company, to an address deemed by the CA 2006 to have been so specified.

171. **Service of notices**

- 171.1 The Company may give any notice or document (including a share certificate) to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address in the United Kingdom, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices, or by leaving it at that address or by using electronic communications to an address (if any) for the time being notified to the Company by the member for that purpose.
- 171.2 Where a member is registered on a branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained.

172. **Use of Websites**

- 172.1 Subject to the CA 2006, the Company may also send any notice or other document pursuant to these Articles to a member by publishing that notice or other document on a website where:

- (a) the Company and the member have agreed (generally or specifically) to him having access to the notice or document on a website (instead of it being sent to him), or he is taken to have so agreed under Schedule 5 of the CA 2006, and in either case he has not revoked that agreement;
- (b) the notice or document is one to which that agreement applies;
- (c) the member is notified, in a manner for the time being agreed between him and the Company for the purpose, of:
 - (i) the publication of the notice or document on a website;
 - (ii) the address of that website;
 - (iii) the place on that website where the notice or document may be accessed, and how it may be accessed; and
 - (iv) any other information prescribed by the CA 2006; and
- (d) the notice or document is published on that website throughout the publication period, provided that, if the notice or document is published on that website for a part, but not all of, the publication period, the notice or document shall be treated as being published throughout that period if the failure to publish that notice or document throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid,

provided that, when the Company notifies a member of the presence of a notice of a meeting on a website, the notification must also state that it concerns a notice of a company meeting, specify the place, date and time of the meeting, state whether the meeting will be an annual general meeting and include any other information prescribed by the CA 2006.

In this Article **172.1**, “**publication period**” means the period beginning with the date of the notification and ending with the conclusion of the meeting.

173. **Non entitlement to notice**

- 173.1 A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices or an address to which notices may be sent using electronic communications (having agreed (generally or specifically) to the giving or delivery of notices by electronic means, having not revoked that agreement and having notified the Company of such address) shall not be entitled to receive notices from the Company.

174. **Evidence of service**

- 174.1 Any notice or other document addressed to a member at his registered address or address for service in the United Kingdom shall, if sent by post, be deemed to have been served or delivered upon the expiration of twenty-four hours (or, where second class post is employed, forty-eight hours) after the time when the envelope containing the notice or other document was posted. In proving such service or delivery it shall be sufficient to prove that the envelope containing the notice or other document was properly addressed and posted as a pre-paid letter. In the case of a notice contained in an electronic communication, notice shall be deemed to have been served or delivered on the day after the day when it was sent. Such a notice or other document shall be deemed sent to the member on that day notwithstanding that the Company becomes aware that the member has failed to receive the relevant notice or other document for any reason and notwithstanding that the Company subsequently sends a copy of such notice or other document by post to the member. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute

of Chartered Secretaries and Administrators shall be conclusive evidence that such a notice was given. Any notice or other document not sent by post or electronic communication but delivered or left at a registered address or address for service in the United Kingdom shall be deemed to have been served on the day on which it was so delivered or left. Any notice or other document sent or supplied by means of a website shall be deemed to have been received by the recipient when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

174.2 Any member present, either personally or by proxy, at any meeting of the Company or of the holders of any class of shares of the Company shall be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

175. Joint holders

175.1 In the case of joint holders of a share all notices or other documents shall be given to the joint holder whose name stands first in the Register in respect of the share. Notices so given shall be sufficient notice to all the joint holders.

176. Notice in the case of death, bankruptcy or mental disorder

176.1 The Company may give notice to the person entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law, by sending or delivering it in any manner authorised by these Articles for the giving of notice to a member, addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or by any like description, at the address (if any) within the United Kingdom supplied for the purpose by the person claiming to be so entitled. Until such an address has been so supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy or operation of law had not occurred.

177. Suspension of postal services

177.1 If at any time by reason of suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened in accordance with Article **178**. In any such case the Company shall send confirmatory copies of the notice by post if at least forty-eight hours prior to the meeting the posting of notices to addresses throughout the United Kingdom becomes practicable.

178. Notice by advertisement

178.1 Any notice to be given by the Company to the members or any of them, and not otherwise provided for by these Articles, shall be sufficiently given if given by advertisement appearing in at least one leading daily newspaper published in the United Kingdom. Any notice given by advertisement shall be deemed to have been duly served at noon on the day on which the advertisement first appears.

178.2 The production in any court or tribunal of any such newspaper containing any such advertisement shall be sufficient proof of the giving of any such notice as regards all persons and for all purposes.

179. Notice binding on transferees

179.1 Every person who, by operation of law, transfer or by any other means becomes entitled to a share shall be bound by any notice in respect of that share (other than a notice given by the Company under section 793 of the CA 2006) which, before his name is entered in the Register, has been duly given to a person from whom he derives his title.

WINDING UP

180. Division of assets

180.1 If the Company is wound up the liquidator may, with the sanction of an special resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members, but if any division is resolved otherwise than in accordance with such rights, the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 110 of the Insolvency Act 1986. The liquidator may, with the like sanction, vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine, but no member shall be compelled to accept any assets on which there is a liability.

181. Transfer or sale under s.110 Insolvency Act 1986

181.1 A special resolution sanctioning a transfer or sale to another company duly passed pursuant to section 110 of the Insolvency Act 1986 may in the like manner authorise the distribution of any shares of other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights, and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

INDEMNITY

182. Right to indemnity

182.1 Subject to the provisions of the Statutes, but without prejudice to any indemnity to which he may be otherwise entitled, every Director, alternate Director, Secretary or other officer of the Company or by an associated company (as defined in section 256 of the CA 2006) (other than any person (whether an officer or not) engaged by the Company or by a associated company as Auditor) shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him in the actual or purported execution and/or discharge of his duties or exercise of his powers or otherwise in relation thereto, including (without prejudice to the generality of the foregoing) any liability incurred defending proceedings (whether civil or criminal) which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company, or of an associated company, whether for negligence, default, breach of duty, breach of trust or otherwise, and the Directors may exercise all the powers of the Company to grant those indemnities including, without limitation, any indemnity which constitutes a qualifying third party indemnity within the meaning of section 234 of the CA 2006 or a qualifying pension scheme indemnity within the meaning of section 234 of the CA 2006, provided that this Article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article, or any element of it, to be treated as void under the CA 2006.

182.2 Subject to the provisions of the CA 2006, but without prejudice to any indemnity to which he may be otherwise entitled, the Auditors shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by them in the actual or purported execution and/or discharge of their duties or exercise of their powers or otherwise in relation thereto, including (without prejudice to the generality of the foregoing) any liability incurred defending proceedings (whether civil or criminal) which relate to anything done or omitted or alleged to have been done or omitted by them in which judgment is given in their favour or in which they are acquitted or which are otherwise disposed of without any finding or admission of any material breach of duty on their part or in connection with the application in which relief is granted to them by any court of competent jurisdiction from liability

for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company.”

183. Power to insure

183.1 Subject to the provisions of the Statutes, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a Director or other officer or employee of the Company against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, officer or employee. The Board may authorise directors of subsidiaries of the Company to purchase and maintain insurance at the expense of the Company for the benefit of any present or former director, other officer or employee of such company in respect of such liability, loss or expenditure.

GOVERNING LAW

184. Governing Law

184.1 These Articles shall be governed by and construed in accordance with English law and the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with these Articles.

No. 4622251

THE COMPANIES ACT 2006 (AS AMENDED)

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

FAROE PETROLEUM PLC

(incorporating all amendments to 28 June 2016)

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