

COMPANIES (JERSEY) LAW 1991
PUBLIC COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION of
DRAGANFLY INVESTMENTS LIMITED

(as adopted by Special Resolution passed on [•] October 2008)

PRELIMINARY

1. Standard Table

The Standard Table shall be excluded in its entirety from application to the Company and the following provisions shall constitute the articles of the Company in place of the Standard Table.

2. Interpretation

In these Articles, unless the context otherwise requires, the following expressions have the following meanings:

"**2006 Act**" means the Companies Act 2006 of the United Kingdom.

"**acting in concert**" means persons who, pursuant to an agreement or understanding (whether formal or informal) actively co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control (meaning a holding, or aggregate holding of shares carrying thirty (30) per cent. or more of the voting rights of a company irrespective of whether such holding or holding give de facto control) of that company.

"**AIM**" means the AIM market operated by the London Stock Exchange.

"**Affiliate**" means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company.

"**Articles**" means these Articles of Association as originally adopted or altered or varied from time to time (and "**Article**" means one of these Articles).

"**Auditors**" means the auditors for the time being of the Company or, in the case of joint auditors, any one of them.

"**Board**" means the board of Directors for the time being of the Company or the Directors present or deemed to be present at a duly convened meeting of Directors at which a quorum is present.

"**Business Day**" means a day other than a Saturday, Sunday or public holiday in England, Wales and Jersey.

"**certificated**" means in relation to a share, a share that is recorded in the Register as being held in certificated form.

"**Chairman**" means the chairman (if any) of the Board or, where the context requires, the chairman of a general meeting of the Company.

“**City Code**” means the City Code on Takeovers and Mergers (United Kingdom) as issued from time to time by or on behalf of the Panel.

“**clear days**” means (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.

“**Company**” means Draganfly Investments Limited.

“**Depository**” means 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 or rights or interests 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 arrangement principally for the benefit of employees or those in the service of the Company and/or its Subsidiaries or their respective businesses and the managers (acting in their capacity as such) of any investment or savings plan, which in each case the Board has approved.

“**Director**” means a director for the time being of the Company.

“**electronic communication**” means the same as in the Electronic Communications (Jersey) Law 2000.

“**Equity Security**” means a Relevant Share (other than a bonus share) or a right to subscribe for, or to convert securities into, Relevant Shares in the Company.

“**execution**” includes any mode of execution (and “**executed**” shall be construed accordingly).

“**holder**” means (in relation to any share) the member whose name is entered in the Register as the holder or, where the context permits, the members whose names are entered in the Register as the joint holders, of that share.

“**Holding Company**” has the meaning given to it by Article 2 of the Law.

“**Investment Advisor**” means Millpath or such other person that acts as the Company’s investment advisor from time to time.

“**Law**” means the Companies (Jersey) Law 1991, and where the context requires, every other Jersey statute from time to time in force concerning companies and affecting the Company (including, without limitation, the Regulations).

“**London Stock Exchange**” means London Stock Exchange plc or other principal stock exchange in the United Kingdom for the time being.

“**member**” means a member of the Company or, where the context requires, a member of the Board or of any committee.

“**Millpath**” means Millpath Limited, incorporated in England and Wales with registration number 5264803.

“**Net Asset Value**” means the net asset value of the Company calculated in accordance with Article 88.

"Net Asset Value per Ordinary Share" means for each respective Valuation Date (as defined in Article 88), the Net Asset Value, divided by the number of Ordinary Shares in issue as at that date.

"Office" means the registered office for the time being of the Company situate in the Island of Jersey.

"Operator" means a person approved under the Regulations as an operator of a Relevant System.

"Ordinary Share" means an ordinary share of £0.01 of the Company in the capital of the Company having the rights and subject to the restrictions set out in these Articles.

"paid up" means paid up or credited as paid up.

"Panel" means The Panel on Takeovers and Mergers in the United Kingdom, and any successor or replacement body thereof.

"Participating Security" means a share or class of shares or a renounceable right of allotment of a share, or any other security, title to which is permitted by an Operator to be transferred by means of a Relevant System in accordance with the Regulations.

"Principal Pension Investor" means Dusko Lukic any of his heirs, successors and any person connected with Dusko Lukic including without limitation the trustees of any pension fund established by him from time to time.

"Register" means the register of members of the Company to be kept pursuant to Article 41 of the Law at a place in the Island of Jersey or, as the case may be, any overseas branch register kept pursuant to Article 115 of these Articles.

"Regulations" means the Companies (Uncertificated Securities) (Jersey) Order 1999 including any modification thereof and rules made thereunder or any orders or regulations in substitution therefor made under Article 51A of the Law for the time being in force.

"Relevant Employee Shares" means shares which could be Relevant Shares but for the fact that they are held by a person who acquired them in pursuance of the employee share scheme.

"Relevant Securities" means: (i) shares other than shares allotted in pursuance of an employees share scheme; and (ii) any right to subscribe for, or convert any security into, shares (other than shares so allotted), and a reference to the allotment of Relevant Securities includes the grant of such right but not the allotment of shares pursuant to such right.

"Relevant Shares" means shares other than: (i) shares which as respects dividends and capital carry a right to participate only up to a specified amount in a distribution; and (ii) shares which are held by a person who acquired them in pursuance of an employees share scheme or, in the case of shares which have not been allotted, are to be allotted in pursuance of such a scheme.

"Relevant System" means a relevant system (as defined in the Regulations) in which the Operator of the relevant system has permitted the shares or securities of the Company (or the relevant shares or securities) to be transferred.

"Rights Issue" means an offer or issue to or in favour of holders on a date fixed by the Board where the Equity Securities respectively attributable to the interests of all those holders are proportionate (as nearly as practicable) to the respective number of Ordinary Shares held by them on that date, but the Board may make such exclusions or other arrangements as the Board considers expedient in relation to fractional entitlements or legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange.

“Seal” means any one of: (i) the common seal of the Company required by Article 22 of the Law (**“Common Seal”**); (ii) any securities seal that the Company may be permitted to have under Article 24 of the Law (**“Securities Seal”**); or (iii) any other official seal for use in any country, territory or place outside the Island of Jersey as an official seal permitted by Article 23 of the Law (**“Branch Seal”**).

“Secretary” means the secretary for the time being of the Company or any other person appointed to perform any of the duties of the secretary of the Company including (subject to the provisions of Article 81 and Article 82 of the Law) a joint, temporary, assistant or deputy secretary.

“Securities” for the purpose of Article 88 only, means any share, warrant, stock, bond, certificate of deposit, treasury bill, trade bill, bank acceptance, bank account, limited partnership interest, bill of exchange, monetary instrument, debenture, debenture stock, scrip, contract, obligation, mortgage or security of any kind created, issued, or guaranteed by an individual person or by any company, bank, association or partnership, whether with limited or unlimited liability, constituted or carrying on business in any part of the world or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise in any part of the world or any unit of or participation in any unit trust scheme, mutual fund or collective investment scheme anywhere in the world, policy of insurance, bill, note, coupon or other negotiable security or document and any right or interest in any of the foregoing.

“share” means a share in the capital of the Company.

“Standard Table” means the model articles of association of a Company proposed by the Finance and Economics Committee of the Island of Jersey pursuant to Article 6 of the Law.

“Subsidiary” has the meaning given to it by Article 2 of the Law.

“uncertificated” means in relation to a security, a security which is for the time being a Participating Security and to which title is recorded in the Register or other register as being held in uncertificated form.

“United Kingdom” means Great Britain and Northern Ireland.

“Valuation Point” means 6.00 p.m. Jersey time on any Business Day.

“writing” or **“written”** means and includes printing, typewriting, lithography, photography and any other mode or modes of representing or reproducing words in a legible and non-transitory form.

- 2.1 Unless the context otherwise requires:
 - (a) words in the singular include the plural, and vice versa;
 - (b) words importing the masculine gender include the feminine gender; and
 - (c) a reference to a person includes a body corporate and an unincorporated body of persons.
- 2.2 A reference to any statute or provision of a statute shall include any orders, regulations or other subordinate legislation made under it and shall, unless the context otherwise requires, include any statutory modification or re-enactment of it for the time being in force.
- 2.3 Save as aforesaid, and unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Law.
- 2.4 The headings are inserted for convenience only and shall not affect the construction of these Articles.

2.5 reference to electronic communications shall, without limiting the definition above and unless the context otherwise requires, include references to communications made by telephone, fax and e-mail, or by sending a CD-Rom or DVD (digital video disk) by post.

2.6 a reference to an Relevant System is a reference to the Relevant System in respect of which the particular security or class of securities or renounceable right of allotment of a security is a Participating Security;

3. Form of resolution

3.1 Subject to the Law, where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective.

3.2 A resolution in writing executed by or on behalf of each member who, at the date when the resolution is deemed to be passed in accordance with Article 95(3) of the Law, would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting properly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more of the members, and may be in any form as the Board determines, including electronic communications.

SHARE CAPITAL

4. Authorised share capital

The authorised share capital of the Company at the date of the adoption of these Articles is £10,000,000 divided into 1,000,000,000 Ordinary Shares of £0.01 each.

5. Allotment

5.1 (a) Subject to the Law, and these Articles (including, but not limited to, Articles 5.2, 5.3 and 5.4 below) and the terms of any resolution creating new shares, the unissued shares from time to time shall be under the control of the Board which may allot the same to such persons (subject to the directors being authorised to do so in respect of the allotment of Relevant Securities in accordance with Article 5.2), against cash or for such other consideration which is not cash, with such restrictions and conditions, in excess of their nominal value or at their nominal value and/or with payment of commission and at such times as the Board shall deem appropriate; and

(b) Subject to the Law, and these Articles (including, but not limited to, Articles 5.2, 5.3 and 5.4 below) and the terms of any resolution creating new shares, the Board shall have the power to cause the Company to grant to any person options, warrants or other security to acquire from the Company any unissued shares, in each case on such terms as the Board shall deem appropriate.

5.2 Subject to the pre-emption rights contained in Article 5.3 below, the Company may at any time pass an ordinary resolution of the holders, referring to this Article 5.2, authorising the Directors to exercise all of the powers of the Company to allot Relevant Securities and the Directors shall upon the passing of such a resolution be generally and unconditionally authorised to allot Relevant Securities provided that:

(a) the nominal amount of such securities (where such securities are shares) or the nominal amount of the shares in respect of which such securities confer the right to subscribe or convert (where such securities are not shares) shall not exceed in aggregate the sum specified in such resolution; and

(b) any such authority shall (unless otherwise specified in such resolution or previously varied or abrogated by a resolution passed at a general meeting) expire on the date specified in the resolution (not being more than five years after the date on which the resolution is passed), save that the Company shall be entitled before such expiry to

make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the Directors shall be entitled to allot Relevant Securities in pursuance of any such offer or agreement as if such authority had not expired.

- 5.3. Unless authority to do so has been given by the holders pursuant to Article 5.4, the Company shall not allot Equity Securities to any person for cash unless it shall first have made an offer to each holder of Relevant Shares and Relevant Employee Shares to allot to him on the same or more favourable terms a proportion of those Shares which is as nearly as practical equal to the proportion in nominal value of shares held by him on the record date for any such allotment of the aggregate of all such shares in issue, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in their exclusive discretion to deal with fractional entitlements and legal or practical problems under the laws of, or the requirements of, any regulatory authority or stock exchange in, any jurisdiction.
- 5.4. The Company may at any time resolve by a special resolution of holders, referring to this Article 5.4, that the Directors be empowered to allot Equity Securities for cash and, upon such special resolution being passed, the Directors shall (subject to their being authorised to allot Relevant Securities in accordance with Article 5.2) be empowered to allot Equity Securities for cash as if the right of pre-emption contained in Article 5.3 did not apply to such allotment, provided that such power shall be limited:
- (a) to the allotment (other than in connection with a Rights Issue) of Equity Securities having, in the case of Relevant Shares, a nominal amount or, in the case of other Equity Securities, giving the right to subscribe for or convert into Relevant Shares having a nominal amount not exceeding in aggregate the nominal amount specified in such resolution; or
 - (b) to the allotment of Equity Securities in connection with a Rights Issue,

and such power shall (unless otherwise specified in such resolution or varied or abrogated by a resolution passed at an intervening general meeting) expire on the date (if any) specified in such resolution save that the Company shall be entitled before such expiry to make an offer or agreement which would or might require Equity Securities to be allotted after such expiry and the Directors shall be entitled to allot Equity Securities in pursuance of such offer or agreement as if such authority had not expired.

6. Redeemable shares

Subject to the provisions of the Law and to any special rights for the time being attached to any existing shares, 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 in such manner as permitted by the Law provided that: (i) the price at which redeemable shares listed on AIM may be bought back on AIM must not exceed 5 per cent, of the average of the mid-market closing price of such shares on AIM for 10 days before such purchase; and (ii) where such purchases are by tender, the tender must be available to all holders holding such redeemable shares.

7. Power to attach rights

Subject to the provisions of the Law and to any special rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine.

8. Share warrants to bearer

- 8.1 The Company may, with respect to any fully paid shares, issue a warrant (a “**share warrant**”) stating that the bearer of the warrant is entitled to the shares specified in it and may provide

(by coupons or otherwise) for the payment of future dividends on the shares included in a share warrant.

8.2 The powers referred to in Article 8.1 may be exercised by the Board, which may determine and vary the conditions on which share warrants shall be issued, and in particular on which:

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

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

9. Commission and brokerage

The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Law. Subject to the provisions of the Law, any such commission or brokerage may be satisfied by the payment of cash, the allotment of fully or partly paid shares, the grant of an option to call for an allotment of shares or any combination of such methods provided always that any commission or brokerage does not exceed 10 per cent, of the price at which the relevant shares are allotted.

10. Trusts not to be recognised

Except as otherwise expressly provided by these Articles, as required by the laws of the Island of Jersey or as ordered by a court of competent jurisdiction, the Company shall not recognise any person as holding any share on any trust, and (except as aforesaid) the Company shall not be bound by or recognise (even if having notice of it) any equitable, contingent, future, partial or other claim to or interest in any share except an absolute right of the holder to the whole of the share.

11. Interests in Shares

11.1 Where a member either to his knowledge acquires an interest in shares or ceases to be interested in shares (whether or not retaining an interest in any other shares) or becomes aware that he has acquired an interest in shares or that he has ceased to be interested in shares in which he was previously interested then, in the circumstances set out in this Article 11, he is under an obligation to make notification to the Company with respect to his interests (if any) in shares.

11.2 In this Article 11, a reference to a "**share**" or "**shares**" means shares carrying a right to vote in all circumstances at general meetings of the Company. For the avoidance of doubt:

- (a) where the Company's shares are divided into different classes of shares, references in this Article 11 to a percentage of the aggregate nominal value of the Company's issued shares is to a percentage of the aggregate nominal value of the Company's issued shares comprised in each of the classes taken separately; and

- (b) the temporary suspension of voting rights in respect of shares of any class does not affect the application of this Article in relation to interests in those shares or any other shares of such class.
- 11.3 For the purposes of this Article 11, a member is under an obligation to notify his interest in shares either at the time the relevant change occurs or, if later, when he first becomes aware that he has acquired or disposed of an interest in shares and references in this Article 11 as to when he is obliged to notify the Company of a change in his interests in shares shall be construed accordingly.
- 11.4 A member shall be obliged to notify the Company whenever:
 - (a) having not immediately prior to an acquisition of shares been interested in shares which together represent 3 per cent. or more of the aggregate nominal value of the issued shares, he becomes interested in shares which together represent 3 per cent. or more of the aggregate nominal value of the issued shares;
 - (b) having been interested in shares which together represent 3 per cent. or more of the aggregate nominal value of the issued shares, he becomes no longer interested in shares which together represent 3 per cent. or more of the aggregate nominal value of the issued shares; and
 - (c) at any time during the period when he is interested in shares which together represent 3 per cent. or more of the aggregate nominal value of the issued shares, the percentage of the issued shares in respect of which such member is interested changes (either upwards or downwards), rounding down in the case of percentages other than whole percentages with the intent that members will not be required as a result of this Article 11 to notify changes in their interests other than changes between one whole percentage of the aggregate nominal value of the issued shares and another.
- 11.5 The Board may resolve from time to time that certain types of interests which the Board in its sole discretion considers to be non-material for the purposes of this Article 11 shall not constitute an interest in shares for the purposes of this Article 11.
- 11.6 Where notification is required by the foregoing provisions of this Article 11, such notification must be provided to the Company in writing and must be made within 2 Business Days following the day on which the obligation to disclose arises. The notification must specify the class of share capital to which it relates and must also state the number of shares (if any) in which the member making the notification knows he has a notifiable interest immediately after the time when the obligation to make such notification arose. A notification made in accordance with this Article 11 shall include the identity of each registered holder of the shares to which the notification relates and the number of shares held by each of them.
- 11.7 For the purposes of this Article 11, a member is taken to have an interest in any share in respect of which any of the following persons is the holder (or one of the holders) of such share:
 - (a) a Concert Party;
 - (b) an Associated Entity; or
 - (c) a Related Person,

of such member (together a "**Connected Person**"). For the avoidance of doubt, the provisions of this Article 11 do not relieve a Connected Person of any obligation it may be under to disclose its interests in shares pursuant to the foregoing provisions of this Article 11. For the purposes of this Article 11: (i) a "**Concert Party**" in relation to a member means any other person or persons with whom that member, pursuant to an agreement or understanding (whether formal or informal), actively co-operates, through the acquisition by any of them of shares or otherwise, to

obtain or consolidate control of or influence over the Company; (ii) an "**Associated Entity**" in relation to a member which is a body corporate, partnership or other entity (whether of independent legal status or otherwise) means any body corporate, partnership or entity (whether of independent legal status or otherwise) which is controlled by or which controls or which is under common control with such member and includes all directors and officers of any such member or any such body corporate, partnership or entity and any other person who is able to direct, control or influence such member or any such body corporate, partnership or entity; and (iii) a "**Related Person**" means, in relation to a member who is an individual, his or her spouse, children under the age of 18, step children, and trusts of which that individual or any other Related Person is a beneficiary.

12. Company Investigations

- 12.1 The Directors shall have the power by notice in writing to require any member to disclose to the Company the identity of any person other than the member who to the knowledge of that member has any interest in the shares held by the member and the number of such shares held and the nature of such interest. Without limitation to the foregoing, a member by virtue of such notice will be required to disclose (so far as within his knowledge) the identity or identities of all persons or entities for whom or on whose behalf the relevant shares are ultimately held or the persons or entities which hold the ultimate beneficial interest or have a beneficial interest in the shares or which ultimately influence or control the holding of the shares together with the number of such shares held. References to the ultimate holding or to persons or entities on whose behalf the relevant shares are ultimately held require disclosure of the person or persons or entities which ultimately control, benefit or have an interest in the shares such that the Directors may reasonably determine the identity of the person or persons or entities which have an indirect interest in the relevant shares and the nature of that interest and a member will not comply with the provisions of this Article by virtue of disclosing the legal entities or persons through whom the relevant shares are held without also disclosing the actual identity of the relevant person or persons or entities for whom the relevant shares are ultimately held.
- 12.2 Any such notice shall require any information in response to such notice to be given in writing within 5 days of the date of such notice, or within such longer period as the Directors may determine.

13. Requisition for Investigation

- 13.1 The Directors may be required to exercise their powers under Article 12 on the requisition of members of the Company holding at the date of deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as carries at that date the right of voting at general meetings of the Company.
- 13.2 The requisition must:
- (a) state that the requisitionists are requiring the Company to exercise its powers under Article 12;
 - (b) specify the manner in which they require those powers to be exercised; and
 - (c) give reasonable grounds for requiring the Company to exercise those powers in the manner specified,
- and must be signed by the requisitionists and deposited at the Office.
- 13.3 The requisition may consist of several documents in like form each signed by one or more requisitionists.
- 13.4 On the deposit of a requisition complying with this Article 13, the Directors shall exercise their powers under Article 12 in the manner specified in the requisition.

14. Default

- 14.1 If any member has been duly served with a notice given by the Directors in accordance with Articles 11, 12 and/or 13 and is in default after the prescribed period in supplying to the Company the information thereby required, then the following sanctions shall apply unless the Board otherwise determines:
- (a) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
 - (b) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their 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 147, to receive shares instead of that dividend; and
 - (ii) no transfer, other than an excepted transfer, of any shares held by the member shall be registered.
- 14.2 Where the sanctions under Article 14.1 apply in relation to any shares, they shall cease to have effect (and any dividends withheld under Article 14.1 shall become payable):
- (a) if the shares are transferred by means of an excepted transfer but only in respect of the shares transferred; or
 - (b) at the end of the period of 7 days (or such shorter period as the Board may determine) following receipt by the Company of the information required by the notice mentioned in Articles 11, 12 and/or 13 and the Board being fully satisfied that such information is full and complete.
- 14.3 Where default shares are held by an Approved Depositary, the provisions of this Article 14 shall be treated as applying only to the default shares and not to any other shares held by the Approved Depositary.
- 14.4 Where the member on which a notice under Articles 11, 12 and/or 13 is served is an Approved Depositary acting in its capacity as such, the obligations of the Approved 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 an Approved Depositary.
- 14.5 For the purposes of this Article 14:
- (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 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;
 - (b) "**prescribed period**" means 14 days;
 - (c) "**excepted transfer**" means, in relation to any shares held by a member:

- (i) a transfer by way of or pursuant to acceptance of a takeover offer for the Company (within the meaning of Article 116 of the Law); or
- (ii) a transfer in consequence of a sale made through a recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000 of the United Kingdom) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or
- (iii) a transfer which is shown to the satisfaction of the 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 the shares.

For these purposes, a person shall be treated as being connected with a member of that person is:

- (iv) a spouse, child (under the age of 18) or step child (under the age of 18) of the member; or
- (v) an associated body corporate which is a company in which the member alone, or with connected persons, is directly or indirectly beneficially interested in 20 per cent. or more of the nominal value of the equity share capital or is entitled (alone or with connected person) to exercise or control the exercise of more than 20 per cent. of the voting power at general meetings; or
- (vi) a trustee (acting in that capacity) of any trust, the beneficiaries of which include the member or persons falling within Articles 14.5(c)(iv) or 14.5(c)(v), excluding trustees of an employees' share scheme or pension scheme; or
- (vii) a partner (acting in that capacity) of the member or persons connected with such member as referred to in Articles 14.5(c)(iv), 14.5(c)(v), and 14.5(c)(vi).

15. Register of interests

The Company shall maintain a register of interested parties and whenever the Company receives information from a person in consequence of the fulfilment of an obligation imposed by Articles 11 and/or 12, the Company shall inscribe in such register, against that person's name, that information and the date of inscription.

16. Approved Depositories

- 16.1 Where a person who appears to be interested in shares has been served with a notice pursuant to section 793 of the 2006 Act and the shares in which he appears to be interested are held by an Approved Depository, the provisions of Articles 11 to 15 (inclusive) shall be treated as applying only to the shares which are held by the Approved Depository in which that person appears to be interested and not (so far as that person's apparent interest is concerned) to any other shares held by the Approved Depository.
- 16.2 While the member on which a notice pursuant to section 793 of the 2006 Act is served is an Approved Depository, the obligations of the Approved Depository as a member will be limited to disclosing to the Company any information relating to a person who appears to be interested in the shares held by it which has been recorded by it in accordance with the arrangement under which it was appointed as an Approved Depository.

CERTIFICATED SHARES

17. Right to certificates

- 17.1 On becoming the holder of a certificated share, every person shall be entitled, without charge, to have issued within 2 months after allotment or lodgement of a transfer (unless the terms of issue of the shares provide otherwise) one certificate for all the certificated shares of each class registered in his name. Such certificate shall specify the number, class, and distinguishing numbers (if any) of the certificated shares in respect of which it is issued and the amount or respective amounts paid up thereon and shall be issued as provided in Article 135.
- 17.2 The issued shares of a particular class which are fully paid up and rank pari passu for all purposes shall not bear a distinguishing number. All other shares shall bear a distinguishing number.
- 17.3 The Company shall not be bound to issue more than one certificate in respect of certificated shares held jointly by two or more persons. Delivery of a certificate to the person first named on the register shall be sufficient delivery to all joint holders.
- 17.4 Where a member (other than a person in respect of whom the Company is not required by the Law to complete and have ready for delivery a share certificate) has transferred part only of the shares comprised in a certificate, he shall be entitled without charge to a certificate for the balance of such certificated shares retained by such member.
- 17.5 No certificate shall be issued representing shares of more than one class.

18. Replacement certificates

- 18.1 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.
- 18.2 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.
- 18.3 Share certificates may be renewed or replaced on such terms as to provision of evidence and indemnity (with or without security) and to payment of any exceptional out of pocket expenses, including those incurred by the Company in investigating such evidence and preparing such indemnity and security, as the Board may decide, and on surrender of the original certificate (where it is defaced, damaged or worn out), but without any further charge.
- 18.4 In the case of shares held jointly by several persons, any such request as is mentioned in this Article 18 may be made by any one of the joint holders.

UNCERTIFICATED SHARES

19. Uncertificated Shares

- 19.1 The Board may resolve that a class of shares is to become, or is to cease to be, a Participating Security.
- 19.2 Shares of a class shall not be treated as forming a separate class from other shares of the same class as a consequence of such shares being held in certificated or uncertificated form or of any provision in these Articles or the Regulations applying only to certificated shares or to uncertificated shares.

- 19.3 Any share of a class which is a Participating Security may be changed from an uncertificated share to a certificated share and from a certificated share to an uncertificated share in accordance with the Regulations.
- 19.4 These Articles apply to uncertificated shares of a class which is a Participating Security only to the extent that these Articles are consistent with the holding of such shares in uncertificated form, with the transfer of title to such shares by means of the Relevant System and in accordance with the Regulations.
- 19.5 Where any share is held in uncertificated form the Company shall not issue and no person shall be entitled to receive a certificate in respect of such share at any time and for so long as the title to that share is evidenced otherwise than by a certificate and transfers may be made otherwise than by a written instrument by virtue of the Regulations. Title to shares in issue at the date of adoption of these Articles may be transferred and evidenced by a Relevant System.
- 19.6 The Board may lay down regulations not included in these Articles which (in addition to or in substitution for any provisions in these Articles):
- (a) apply to the issue, holding or transfer of uncertificated shares;
 - (b) set out (where appropriate) the procedures for conversion and/or redemption of uncertificated shares; and/or
 - (c) the Board considers necessary or appropriate to ensure that these Articles are consistent with the Regulations and/or the Operator's rules and practices.
- 19.7 Such regulations will apply instead of any relevant provisions in these Articles which relate to certificates and the transfer, conversion and redemption of shares or which are not consistent with the Regulations, in all cases to the extent (if any) stated in such regulations. If the Board makes any such regulations, Article 19.4 will (for the avoidance of doubt) continue to apply to these Articles, when read in conjunction with those regulations.
- 19.8 Any instruction given by means of a Relevant System as referred to in these Articles shall be a dematerialised instruction given in accordance with the Regulations, the facilities and requirements of the Relevant System and the Operator's rules and practices.
- 19.9 For any purpose under these Articles, the Company may treat a member's holding of uncertificated shares and of certificated shares of the same class as if they were separate holdings, unless the Board otherwise decides.
- 19.10 Where the Company is entitled under the Law, the Operator's rules and practices, these Articles or otherwise to dispose of, forfeit, enforce a lien over or sell or otherwise procure the sale of any shares of a class which is a Participating Security which are held in uncertificated form, the Board may take such steps (subject to the Regulations and to such rules and practices) as may be required or appropriate, by instruction by means of the Relevant System or otherwise, to effect such disposal, forfeiture, enforcement or sale including by (without limitation):
- (a) requesting or requiring the deletion of any computer-based entries in the Relevant System relating to the holding of such shares in uncertificated form;
 - (b) altering such computer-based entries so as to divest the holder of such shares of the power to transfer such shares other than to a person selected or approved by the Company for the purpose of such transfer;
 - (c) requiring any holder of such shares, by notice in writing, to change such persons holding of such uncertificated shares into certificated form within any specified period;

- (d) requiring any holder of such shares to take such steps as may be necessary to sell or transfer such shares as directed by the Company;
- (e) otherwise rectifying or changing the Register in respect of any such shares in such manner as the Board considers appropriate (including, without limitation, by entering the name of a transferee into the Register as the next holder of such shares); and/or
- (f) appointing any person to take any steps in the name of any holder of such shares as may be required to change such shares from uncertificated form to certificated form and/or to effect the transfer of such shares (and such steps shall be effective as if they had been taken by such holder).

LIEN ON SHARES

20. Lien on shares not fully paid

The Company shall have a first and paramount lien on each of its shares which is not fully paid, for all amounts payable to the Company (whether presently or not) in respect of that share and to the extent and in the circumstances permitted by the Law. 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.

21. Enforcement of lien by sale

The Board may sell all or any of the shares subject to any lien at such time or times and in such manner as it may determine. However, 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 persons (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. For giving effect to any such sale, the Board may in the case of certificated shares, authorise some person to execute an instrument of transfer of the shares sold in the name and on behalf of the holder or the persons (if any) entitled by transmission in favour of the purchaser or as the purchaser may direct, and in the case of uncertificated shares, exercise any power conferred on it by Article 19 to effect a transfer of the shares. 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 in reference to the sale.

22. Application of proceeds of sale

The net proceeds of any sale of shares subject to any lien, after payment of the costs, shall be applied in or towards 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 (in the case of certificated shares) surrender to the Company for cancellation of the certificate for the shares sold, and (in all cases) 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 holder or the person (if any) entitled by transmission to the shares so sold (without interest).

CALLS ON SHARES

23. Calls

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

by or in accordance with the terms of issue. Each member shall (subject to receiving at least 14 clear days 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. A call shall be deemed to have been made at the time when the resolution of the Board authorising such 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. 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 part as regards all or any such members as the Board may determine. A person on whom a call is made shall remain liable notwithstanding the subsequent transfer of the shares in respect of which the call was made.

24. Liability of joint holders

The joint holders of a share shall be jointly and severally liable for the payment of all calls in respect thereof.

25. Interest on calls

If the whole of the sum payable in respect of any call is not paid on or before 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 (compounded on a 6 monthly basis), as the Board shall determine. The Board may waive payment of such costs, charges, expenses or interest in whole or in part.

26. Rights of member when call unpaid

Unless the Board otherwise determines, no member shall be entitled to receive any dividend or to be present and vote at a general meeting or at any separate general meeting of the holders of any class of shares either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of a share held by him unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) to the Company.

27. Sums due on allotment treated as calls

Any sum payable in respect of a share on allotment or at any fixed date, whether in respect of the nominal value of the share or by way of premium or as an instalment of a call, shall for all 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.

28. Power to differentiate

The Board may make arrangements on the allotment or issue of shares for a difference as between the allottees or holders of such shares in the amount and time of payment of calls.

29. Payment in advance of calls

The Board may, if it thinks fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid on the shares held by him. Such payment in advance of calls shall extinguish pro tanto the liability on the shares on which it is made. 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 such advance has been made, at such rate as the Board may decide. The Board may at any time repay the amount so advanced on giving to such member not less than 3 months notice in writing of its intention in

that behalf, 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.

30. Delegation of power to make calls

If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may delegate on such terms as it thinks fit 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 OF SHARES

31. Notice if call not paid

If any member fails to pay the whole of any call or any instalment of any call on or before the day appointed for payment, the Board may at any time serve a notice in writing on such member or on any person entitled to the shares by transmission, requiring payment, on a date not less than 14 clear days from the date of the notice, of the amount unpaid and any interest which may have accrued thereon and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where the payment is to be made and state that, if the notice is not complied with, the shares in respect of which such call was made will be liable to be forfeited.

32. Forfeiture for non-compliance

If the notice referred to in Article 31 is not 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 to that effect. Such forfeiture shall include all dividends declared or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

33. Notice after forfeiture

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

34. Forfeiture may be annulled

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 that payment shall be made 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. Surrender

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

36. Disposal of forfeited shares

Every share which shall be forfeited shall thereupon become the property of the Company. Subject to the provisions of the Law, any such share may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled

thereto or to any other person, on such terms and in such manner as the Board shall determine. The Board may for the purposes of the disposal, in the case of certificated shares, authorise some person to transfer the share in question and may enter the name of the transferee in respect of the transferred share 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 in the case of uncertificated shares, exercise any power conferred on it by Article 19 to effect a transfer of the shares. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the share. The Company may receive the consideration (if any) given for the share on its disposal.

37. Effect of forfeiture

A holder whose shares have been forfeited shall cease to be a member in respect of the shares forfeited and shall, in the case of certificated shares, surrender to the Company for cancellation the certificate for such shares. He shall nevertheless be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest thereon from the date of the 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, demands and liabilities which the Company might have enforced in respect of the shares at the time of forfeiture, without any reduction or allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

38. Extinction of claims

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 Law given or imposed in the case of past members.

39. Evidence of forfeiture

A declaration or an affidavit by a Director or the Secretary that a share has been forfeited in pursuance of these Articles, and stating the date on which it was forfeited, shall, as against all persons claiming to be entitled to the share adversely to the forfeiture thereof, be conclusive evidence of the facts therein stated. The declaration or affidavit, 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 a certificate for the share under the Seal delivered 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. Such person shall not (except by express agreement with the Company) become entitled to any dividend which might have accrued on the share before the completion of the sale or disposition thereof.

TRANSFER OF SHARES

40. Form of transfer

40.1 Subject to such of the restrictions of these Articles as may be applicable, each member may transfer all or any of his shares:

- (a) in the case of certificated shares, by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on

behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee; or

- (b) in the case of uncertificated shares, without a written instrument in accordance with the Regulations, the facilities and requirements of the Relevant System and the Operator's rules and practices.

40.2 The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

41. Registration of a Certificated Share Transfer

41.1 The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of a certificated share (or renunciation of a renounceable letter of allotment) unless:

- (a) it is in respect of a share which is fully paid up;
- (b) it is in respect of only one class of shares;
- (c) it is in favour of a single transferee or not more than four joint transferees;
- (d) it is duly stamped (if so required); and
- (e) it is delivered for registration to the Office or such other place as the Board may from time to time determine accompanied 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 or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so;

provided that the Board shall not refuse to register any transfer or renunciation of partly paid shares which are listed on AIM on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

42. Uncertificated Share

42.1 The Board shall register a transfer of title to any uncertificated share or the renunciation or transfer of any renounceable right of allotment of a share which is a Participating Security held in uncertificated form in accordance with the Regulations, except that the Board may refuse (subject to any relevant requirements of (to the extent applicable) the AIM Rules and/or the London Stock Exchange) to register any such transfer or renunciation which is in favour of more than four persons jointly or in any other circumstance permitted by the Regulations.

43. Notice of refusal

If the Board refuses to register a transfer of a share it shall, within 2 months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee. Any instrument of transfer which the Board refuses to register shall (except in the case of suspected or actual fraud) be returned to the person depositing it. All instruments of transfer which are registered may be retained by the Company.

44. Closing of Register

The registration of transfers of shares or of any class of shares may be suspended (to the extent the same is consistent with the Law) at such times and for such periods (not exceeding 30 days in any year) as the Board may from time to time determine (subject to the Regulations in the case of shares of a class which is a Participating Security). Notice of closure of the Register shall be given by advertisement in a newspaper circulating in the Island of Jersey

and United Kingdom and by a delivery of an announcement to the Company Announcement Office of the London Stock Exchange to that effect.

45. Fees on registration

Subject to any applicable stamp duties, no fee shall be charged for registration of a transfer or on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney, notice or other instrument relating to or affecting the title to any shares.

46. Other powers in relation to transfers

46.1 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 an instrument of transfer of a share, from authorising any person to transfer that share in accordance with any procedures implemented pursuant to Article 36.

TRANSMISSION OF SHARES

47. On death

If a member dies, the survivors or survivor, 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. Nothing in these Articles 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.

48. Election of person entitled by transmission

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 himself, he shall give notice to the Company to that effect. If he elects to have some other person registered, he shall in the case of a certificated share, execute an instrument of transfer of such share to that person, and in the case of an uncertificated share, either (a) procure that all appropriate instructions are given by means of the Relevant System to effect the transfer of such share to such person, or (b) change the uncertificated share to certificated form and then execute an instrument of transfer of such share to such 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 2 months after proof cause the entitlement of that person to be noted in the Register.

49. Rights on transmission

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.

DESTRUCTION OF DOCUMENTS

50. Destruction of documents

50.1 The Company may destroy:

- (a) any instrument of transfer, after 10 years from the date on which it is registered;
- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address, after 2 years from the date on which it is recorded;
- (c) any share certificate, after 1 year from the date on which it is cancelled; and
- (d) any other document on the basis of which any entry in the Register is made, after 10 years from the date on which an entry was first made in the Register in respect of it;

provided that the Company may destroy any such type of document at a date earlier than that authorised by this Article if a copy of such document is retained on microfilm or by other similar means which such copy is retained until the expiration of the period applicable to the destruction of the original of such document.

50.2 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, that every other document so destroyed had been properly dealt with in accordance with its terms and was valid and effective in accordance with the particulars in the records of the Company, provided that:

- (a) this Article 50 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 50 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 50 which would not attach to the Company in the absence of this Article 50; and
- (c) references in this Article 50 to the destruction of any document include references to the disposal of it in any manner.

ALTERATION OF SHARE CAPITAL

51. Increase, consolidation, cancellation and sub-division

51.1 The Company by altering its memorandum of association in accordance with the Law may:

- (a) increase its share capital by such sum to be divided into shares of such amount and in such currency or currencies as it thinks fit;
- (b) consolidate and divide all or any of its share capital (whether issued or not) into shares of larger amount than its existing shares.
- (c) to cancel any shares which at the date of the passing of the special resolution to alter the memorandum of association have not been taken or agreed to be taken by any

person, and diminish the amount of its share capital by the amount of the shares so cancelled;

- (d) subject to the provisions of the Law, sub-divide its shares or any of them into shares of smaller amount than is fixed by the memorandum of association, and may by such resolution determine that, as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares;
- (e) convert all or any of its fully paid shares into stocks and re-convert that stock into fully paid shares of any denomination; and
- (f) subject to the Law, convert any of its fully paid shares the nominal amount of which is expressed in one currency into fully paid shares of a nominal amount of another currency.

52. Fractions

52.1 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) 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 and as a result of such consolidation such holder would become entitled to a fraction of a consolidated share:

- (a) the Board may determine which of the shares of such holder are to be treated as giving rise to such fractional entitlement and may decide that any of those shares shall be consolidated with any of the shares of any other holder or holders which are similarly determined by it to be treated as giving rise to a fractional entitlement for such other holder or holders, into a single consolidated share and the Board may, on behalf of all such holders, sell such consolidated share for the best price reasonably obtained 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 holders (except that any amount otherwise due to a holder, being less than £1.00 or such other sum as the Board may from time to time determine, may be retained for the benefit of the Company); or
- (b) provided that the necessary unissued shares are available, the Board may issue to such holder credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding to an exact multiple of the number of shares to be consolidated into a single share (such issue being deemed to have been effected 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 profit and loss account and capitalised by applying the same in paying up the share. In relation to such a capitalisation the Board may exercise all the powers conferred on it by Article 168 without an ordinary resolution of the Company.

52.2 For the purposes of any sale of consolidated shares pursuant to Article 52.1, the Board may in the case of certificated shares, authorise some person to execute an instrument of transfer of the shares to, or in accordance with, the directions of the purchaser, and in the case of uncertificated shares, exercise any power conferred upon in by Article 19 to effect a transfer of the shares, 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.

53. Reduction of capital

Subject to the provisions of the Law 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 or any share premium account in any way.

54. Purchase of own shares

Subject to the provisions of the Law and to any rights for the time being attached to any shares, the Company may purchase any of its own shares of any class (including any redeemable shares). Any shares to be so purchased may be selected in any manner whatsoever.

VARIATION OF CLASS RIGHTS

55. Sanction to variation

If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of a resolution passed by the holders of not less than three-quarters in nominal value of the issued shares of the class at a separate general meeting of the holders of shares of the class duly convened and held as hereinafter provided (but not otherwise).

56. Class meetings

All the provisions in these Articles as to general meetings shall mutatis mutandis apply to every meeting of the holders of any class of shares. The Board may convene a meeting of the holders of any class of shares whenever it thinks fit and whether or not the business to be transacted involves a variation or abrogation of class rights. The quorum at every such meeting shall be not less than two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the class. Every holder of shares of the class, present in person or by proxy, may demand a poll. Each such holder shall on a poll be entitled to one vote for every share of the class held by him. If at any adjourned meeting of such holders such quorum as aforesaid is not present, not less than one person holding shares of the class who is present in person or by proxy shall be a quorum.

57. Deemed variation

Subject to the terms of issue of or rights attached to any shares, the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking part 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 reduction of the capital paid up on such shares or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Law and these Articles.

GENERAL MEETINGS

58. Annual general meetings

Subject to the provisions of the Law, annual general meetings shall be held at such time and place as the Board may determine.

59. Extraordinary general meetings

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

60. Convening of extraordinary general meeting

The Board may convene an extraordinary general meeting whenever and wherever it thinks fit. An extraordinary general meeting shall also be convened: (i) on such requisition, or in default may be convened by such requisitionists, as provided by Article 89 of the Law; or (ii) by the Finance and Economics Committee of the Island of Jersey. 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. If there are not within the Island of Jersey sufficient members of the Board to convene a general meeting, any Director may call a general meeting.

61. Notice of general meetings

61.1 An annual general meeting and all extraordinary general meeting convened for the passing of a special resolution and/or ordinary resolutions shall be convened by not less than 14 clear days notice in writing.

61.2 Subject to the provisions of the Law, and notwithstanding that it is convened by shorter notice than that specified in this Article 61, 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 meeting, by a majority in number of the members having a right to attend and vote at the meeting and being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

61.3 The notice shall specify:

- (a) whether the meeting is an annual general meeting or an extraordinary general meeting;
- (b) the place, the day and the time of the meeting;
- (c) in the case of special business, the general nature of that business;
- (d) if the meeting is convened to consider a special resolution, the intention to propose the resolution as such; and
- (e) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member.

61.4 The notice of meeting:

- (a) shall be given to the members (other than a member who, under these Articles or any restrictions imposed on any shares, is not entitled to receive notice from the Company), to the Directors and to the Auditors; and
- (b) may specify a time by which a person must be entered on the Register of Members in order for such person to have the right to attend or vote at the meeting (subject to the Regulations if the Company is then a participating issuer for the purpose of the Regulations).

61.5 Where the notice of meeting is published on a web site in accordance with Articles 160, 161, 162, 164 and 169, it shall continue to be published in the same place on that web site from the date of the notification given under Articles 160, 161, 162, 164 and 169, until the conclusion of the meeting to which the notice relates.

61.6 Where a notice of meeting published on a web site in accordance with Articles 160, 161, 162, 164 and 169, is by accident published in different places on the web site or published for part only of the period from the date of the notification given under Articles 160, 161, 162, 164 and 169, until the conclusion of the meeting to which the notice relates, the proceedings at such meeting are not thereby invalidated.

62. Omission to send notice

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 instrument of proxy to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

63. Special business

All business that is transacted at a general meeting shall be deemed special, except the following transactions at an annual general meeting or as otherwise provided in these Articles:

- (a) the declaration of dividends;
- (b) the receipt and consideration of the annual accounts and the reports of the Directors and the Auditors and any other document required to be annexed to the annual accounts;
- (c) the election or re-election of Directors; and
- (d) the re-appointment 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.

64. Postponement of general meeting

If the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting at the time or place specified in the notice calling the general meeting, it may move and/or postpone the general meeting to another time and/or place. When a meeting is so moved and/or postponed, notice of the time and place of the moved and/or postponed meeting shall (if practical) be placed in at least two national newspapers in the United Kingdom. Notice of the business to be transacted at such moved and/or postponed meeting is not required. The Board must take reasonable steps to ensure that Members trying to attend the general meeting at the original time and/or place are informed of the new arrangements for the general meeting. Proxy forms can be delivered as specified in these Articles, until 24 hours before the rearranged meeting. Any postponed and/or moved meeting may also be postponed and/or moved under this Article.

PROCEEDINGS AT GENERAL MEETINGS

65. Quorum

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. 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, shall be a quorum.

66. If quorum not present

If within 5 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, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to later on the same day 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 5 minutes from the time appointed for holding the meeting, one person entitled 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.

67. Chairman

The Chairman of the Board shall preside at every general meeting of the Company. If there be no such Chairman or if at any meeting he shall not be present within 5 minutes after the time appointed for holding the meeting, or shall be unwilling to act as Chairman, the Deputy Chairman (if any) of the Board shall if present and willing to act preside at such meeting. If no Chairman or Deputy Chairman shall be so present and willing to act, the Directors present shall choose one of their number to act or, if there be only one Director present, he shall be Chairman if willing to act. If there be no Director present and willing to act, the members present and entitled to vote shall choose one of their number to be Chairman of the meeting.

68. Directors and other persons may attend and speak

A Director (and any other person invited by the Chairman to do so) and the Auditor (or its representative) 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. Power to adjourn

The Chairman may, with the consent of a meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any 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 or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of.

70. Notice of adjourned meeting

70.1 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, 7 clear days notice at the least, specifying the place, the day and 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.

70.2 The Board may determine that persons entitled to receive notice of an adjourned meeting in accordance with this Article 70 are those persons entered on the Register of Members at the close of business on a day determined by the Board, provided that, if the Company is an issuer (as defined in the Regulations), the day determined by the Board may not be more than 5 days before the day that the relevant notice of meeting is being sent.

70.3 The notice of an adjourned meeting given in accordance with this Article 70 may also specify a time (which, if the Company is an issuer (as defined in the Regulations), shall not be more than 24 hours before the time fixed for the meeting) by which a person must be entered on the Register of Members in order to have the right to attend or vote at the meeting. Changes to entries on the Register of Members after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote.

71. Business of adjourned meeting

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.

72. Accommodation of members and security arrangements

72.1 The Board may, for the purpose of controlling the level of attendance and ensuring the safety of those attending at any place specified for the holding of a general meeting, from time to time make such arrangements 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 approved by the Board. In the case of any meeting to which such arrangements apply the Board may, when specifying the place of the 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 ("**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, by any means.

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.

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

VOTING

73. Method of voting

73.1 At any general meeting a resolution put to a 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 duly demanded. Subject to the provisions of the Law, a poll may be demanded by:

- (a) the Chairman of the meeting; or
- (b) by at least 5 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 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 holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

73.2 At general meetings, resolutions shall be put to the vote by the Chairman and there shall be no requirement for the resolution to be proposed or seconded by any person.

74. Chairman's declaration conclusive on show of hands

Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the Chairman of the meeting that a resolution has on a show of hands 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 thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

75. Objection to error in voting

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.

76. Amendment to resolutions

76.1 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.

76.2 In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than an amendment to correct a patent error) may in any event be considered or voted on and in the case of a resolution duly proposed as an ordinary resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted on unless either at least 24 hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed notice in writing of the terms of the amendment and intention to move the same has been lodged at the Office or the Chairman of the meeting in his absolute discretion decides that it may be considered or voted on.

77. Procedure on a poll

77.1 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. The Chairman may appoint scrutineers who need not be members. 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.

77.2 The demand for a poll (other than on the election of a Chairman or any question of adjournment) 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. If a poll is demanded before the declaration of the result on a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

77.3 The 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.

77.4 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.

78. Votes of members

78.1 Subject to the provisions of the Law, to any special terms as to voting on which any shares 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 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 each share of which he is the holder.

78.2 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 the other joint holders. For this purpose seniority shall be determined by the order in which the names of the holders stand in the Register.

78.3 Where 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, on a poll, by proxy on behalf of such member at any general meeting. 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 instruments of proxy, not less than 24 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.

79. Casting vote

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 that he may have.

80. Restriction on voting rights for unpaid calls etc.

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, or to exercise any other right or privilege as a member in respect of a share held by him unless and until all calls or other sums presently due and payable by him in respect of that share whether alone or jointly with any other person together with interest and expenses (if any) have been paid to the Company.

81. Voting by proxy

Any person (whether a member of the Company or not) may be appointed to act as a proxy. Deposit of an instrument of proxy (which shall for all the purposes of these Articles include any electronic form of 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.

“**Deposit**” for the purposes of these Articles shall include the electronic sending, transmission and receipt of any instrument of proxy.

82. Form of proxy

82.1 An instrument appointing a proxy shall:

- (a) be in writing in any common form or electronic format or in such other form as the Board may approve, under the hand (including by way of electronic signature) of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, under its common seal or under the hand (including by way of electronic signature) of some officer or attorney or other person duly authorised in that behalf;
- (b) be deemed (subject to any contrary direction contained in the same) to confer authority to 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, but shall not confer any further right to speak at the meeting, except with the permission of the Chairman (or as otherwise determined by the Board where the relevant shares are held by a Depository);
- (c) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates; and
- (d) where it is stated to apply to more than one meeting, be valid for all such meetings as well as for any adjournment of any such meetings.

82.2 Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the Directors may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an Uncertificated Proxy Instruction and may in a similar manner permit supplements to, or amendments or revocations of, any such Uncertificated Proxy Instruction to be made by like means. The Directors may in addition prescribe the method of determining the time at which any such properly authenticated dematerialised instruction (and/or other instruction or notification) is to be treated as received by the Company or such participant. The Directors may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

83. Deposit of proxy

The instrument of proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board shall:

- (a) in the case of an instrument in writing, be deposited at the Office or such other place within Jersey as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or
- (b) in the case of an instrument by way of electronic communication, where an address has been specified for the purpose of receiving electronic communications:
 - (i) in the notice convening the meeting, or
 - (ii) in any instrument 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 less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;

- (c) in the case of a poll taken more than 24 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

- (d) where the poll is not taken forthwith but is taken not more than 24 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;

and an instrument of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid. In this Article, "**address**", in relation to electronic communications, includes any number or address used for the purposes of such communications. No instrument appointing 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.

- 83.1 When 2 or more valid but differing appointments of proxy are delivered or received 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 or received (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 or received, none of them shall be treated as valid in respect of that share.
- 83.2 An appointment of proxy shall be deemed (unless the contrary is stated in it) to confer authority to demand or join in demanding a poll, and to vote, on a poll, on a resolution or a motion or an amendment of a resolution put to, or other business which may properly come before, the meeting or meetings for which it is given or any adjournment of any such meeting, as the proxy thinks fit. Such appointment shall not confer any further right to speak at the meeting or to vote on a show of hands, except with the permission of the chairman of the meeting.
- 83.3 The Board may at the expense of the Company send forms of appointment of proxy to the members by post, by electronic communication or otherwise (with or without provision for their return by pre-paid post) for use at any general meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating as proxy in the alternative any one or more of the Directors or any other person. 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 Company's expense, they shall be issued to all (and not to some only) of the members entitled to be sent notice of the meeting and to vote at it. The accidental omission to send such a form of appointment or to give such an invitation to, or the non-receipt of such form of appointment by, any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.
- 83.4 Notwithstanding Article 83.3, if a general meeting is convened, the Board may include a form of proxy as an integral part of such advertisement. Such form of proxy may invite members to appoint as proxy a person or one of a number of persons specified therein, notwithstanding that such advertisement or form of proxy is not received by or does not otherwise come to the attention of any member. The proceedings at any meeting so convened shall not be invalidated as a result of the adoption of the foregoing procedure.
- 83.5 For the purposes of Articles 82 and 83 the following expressions shall have the following meanings:
- (a) "**address**", in relation to electronic communications, includes any number or address used for the purposes of such communications;
 - (b) the terms "**relevant system**" and "**properly authenticated dematerialised instruction**" shall have the meanings given in the Regulations; and
 - (c) the term "**Uncertificated Proxy Instruction**" means a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of the Relevant System concerned and received by such participant in that system acting on behalf of the Company as the Directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by

the Directors (subject always to the facilities and requirements of the Relevant System concerned).

84. Revocation of proxy

- 84.1 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the death or mental disorder of the principal or previous termination of the authority of the person voting or demanding a poll, unless notice of the death, mental disorder or termination was received by the Company at the Office, or at such other place at which the instrument of proxy was duly deposited, or, where the appointment of proxy was contained in an electronic communication, at the address at which such appointment was duly received, at least 1 hour before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) at least 1 hour before the time appointed for taking the poll.
- 84.2 In this Article 84, "**address**", in relation to electronic communications, includes any number or address used for the purposes of such communications.

85. Corporate representative

A corporation (whether or not a company within the meaning of the Law) which is a member may, by resolution of its directors or other governing body, authorise such person (or if, but only if, such corporation is a Depository voting in its capacity as such, persons) as it thinks fit to act as its representative 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 or such other evidence of his authority reasonably satisfactory to them before permitting him to exercise his powers.

UNTRACED MEMBERS

86. Power of sale

- 86.1 The Company shall be entitled to sell at the best price reasonably obtainable 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 sub-paragraph (b) below (or, if published on different dates, the earlier or earliest thereof) no cheque, order or warrant 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 person to which cheques, orders or warrants 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 the Company has paid at least three cash dividends (whether interim or final) and no such dividend has been claimed by the person entitled to it or satisfied by a funds transfer by means of the Relevant System;
 - (b) on or after expiry of the said period of 12 years the Company has given notice of its intention to sell such share by advertisements in two newspapers of which one shall be a national newspaper published in the United Kingdom and the other shall be a newspaper circulating in the area of the address on the Register or other last known address of the member or the person entitled by transmission to the share;

- (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) the Company has given notice to the London Stock Exchange of its intention to make such sale, if shares of the class concerned are listed or dealt in on that exchange.
- 86.2 To give effect to any sale of shares pursuant to this Article the Board may in the case of certificated shares, 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 in the case of uncertificated shares, exercise any power conferred on it by Article 19 to effect a transfer of the shares. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the shares. 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.
- 86.3 If during the period of 12 years referred to in Article 86.1, or during any period ending on the date when all the requirements of paragraphs (a) to (e) of Article 86.1 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 paragraphs (b) to (e) of Article 86.1 have been satisfied in regard to such additional shares, the Company shall also be entitled to sell the additional shares.

87. Application of proceeds of sale

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.

NET ASSET VALUE OF SHARES

88. Calculation of Net Asset Value of each Share

- 88.1 Subject to Article 88.2 below, the Net Asset Value and the Net Asset Value per Ordinary Share shall be calculated by the Directors as at the Valuation Point on the last Business Day of each calendar month in each year (each a “**Valuation Date**”, and each of the Valuation Dates save for the one in April shall be referred to as the “**Unaudited Valuation Date**”, and the Valuation Date that falls in April shall be referred to as the “**Audited Valuation Date**”). In respect of each Unaudited Valuation Date, the Directors shall if requested by the Auditor deliver a copy of their calculations, together with supporting paperwork to the Auditors to enable the Auditors to reconcile such calculations when making their determination pursuant to Article 88.2.
- 88.2 For each set of calculations delivered by the Directors in respect of an Audited Valuation Date, pursuant to Article 88.1, the calculation of Net Asset Value and the Net Asset Value per Ordinary Share shall be reviewed and confirmed by the Auditors, and the Auditors shall provide the Company and the Investment Advisor with a written confirmation that the Net Asset Value and the Net Asset Value per Ordinary Share as determined by the Directors are true and fair (“**Audit Opinion**”). If such calculations are not confirmed by the Auditors within

28 days of their delivery by the Directors to the Auditors, the matter will be referred to an accountant nominated at the request of either the Directors or the Auditors by the President for the time being of the Jersey Law Society (the "Expert"). The Expert shall be requested to deliver an Audit Opinion on the Directors' calculations and if he is unable to give such an Audit Opinion on the Directors calculations of the Net Asset Value and the Net Asset Value per Ordinary Share he shall be entitled to make such adjustments as to enable him to give such an Audit Opinion within 28 days of his appointment. The Directors shall provide (or procure that others provide) the Expert with such assistance and documents as he shall reasonably require for the purposes of making his determination. The Expert shall act as expert and not as arbitrator and his Audit Opinion and any such adjustments he has made to Net Asset Value and Net Asset Value per Ordinary Share shall, save for manifest error, be final and binding on the Company and the Investment Advisor.

88.3 The Net Asset Value shall be calculated by aggregating the value of the Securities owned or unconditionally and irrevocably contracted for by the Company with the value of the other assets of the Company and deducting therefrom the liabilities of the Company (which shall where appropriate be deemed to accrue from day to day).

88.4 The assets of the Company shall be deemed to include:

- (a) all cash in hand, on loan or on deposit, including any interest accrued thereon;
- (b) all interest accrued on any interest-bearing Securities owned by the Company (except interest which is included in the quoted price);
- (c) all dividends that the Company has declared at the respective Valuation Date;
- (d) all other property of every kind and nature including prepaid expenses as defined from time to time by the Directors; and
- (e) anticipated (but not yet received) proceeds of sales of Securities owned by the Company, which are unconditionally and irrevocably contracted to be sold to third parties, which are discounted to reflect reasonable performance and/or credit risk;

and unless the Directors, in any particular case or generally determine otherwise, then where the current price of a Security is quoted "ex" dividend, interest or other payment but such dividend, interest or other payment is payable to the Company and has not been received, the amount of such dividend, interest or other payment shall be taken into account in determining the assets of the Company.

88.5 The value of any cash on hand or on deposit, bills, promissory notes, demand notes and accounts receivable, prepaid expenses, cash dividends and interest shall be deemed to be the full amount thereof (less any applicable withholding tax) unless the Directors have determined that any such asset is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Directors shall deem to be the reasonable value thereof.

88.6 The value of the Securities owned or unconditionally and irrevocably contracted for by the Company and of the other assets of the Company shall be computed as follows:

- (a) where the Securities are not listed on any stock exchange they shall be valued in accordance with the guidelines of the British Venture Capital Association from time to time in force;
- (b) in the case of Securities listed on any stock exchange their value shall be ascertained by reference to mid-market prices as at the last official close on such stock exchange as recorded in any official list or prominent financial paper which reports such prices on a daily basis, provided that where such Securities are listed or dealt in upon more than one stock exchange or upon any over-the-counter market the Directors may in their discretion select one of such stock exchanges or such over-the-counter market for the foregoing purpose;

- (c) where the Company has sold or granted a call option over Securities, the final date for the exercise of which has not passed, the value shall be the lower of the value otherwise calculated in accordance with these Articles and the option exercise price;
- (d) certificates of deposit acquired at their nominal value plus accrued interest (if any) shall be valued at cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate;
- (e) certificates of deposit acquired at a discount or premium on the sum of the nominal value and accrued interest at the date of acquisition shall be valued at their cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate, and adjusted by an amount equal to the discount or premium at which they were acquired divided by the number of days unexpired at the date of acquisition and multiplied by the number of days elapsed from the date of acquisition to the relevant Business Day;
- (f) treasury bills and bills of exchange shall be valued at their costs, plus accrued interest calculated by dividing the discount (if any) at which they were acquired by the number of days unexpired at the date of acquisition and multiplied by the number of days elapsed from the date of acquisition to the relevant Business Day;
- (g) other interest-bearing Securities shall be valued at cost plus accrued interest from the date of acquisition and adjusted by an amount equal to any discount or premium on the sum of the nominal value and accrued interest at the date of acquisition at which they were acquired divided by the number of days unexpired at the date of acquisition and multiplied by the number of days elapsed from the date of acquisition to the relevant Business Day;
- (h) in the case of any asset realised or unconditionally and irrevocably contracted discounted in accordance with Article 88.4(c), to be realised at a known value the net proceeds of such realisation shall be taken into account in lieu of any other method of determining the value of the asset concerned; and
- (i) the value of any security, Securities or other assets shall be determined having regard to the full amount of any currency premium or discount which may be relevant;

provided however that the Directors in their absolute discretion may permit some other method of valuation to be used if they consider that such valuation better reflects the fair value of the Securities.

88.7 The liabilities of the Company shall be deemed to comprise:

- (a) all bills and accounts payable;
- (b) all administrative expenses payable and/or accrued;
- (c) all contractual obligations for the payment of money to include without limitation dividends that have been declared but unpaid;
- (d) all contractual obligations for the acquisition of property, to include without limitation Securities that the Company has irrevocably and unconditionally contracted to buy;
- (e) all provisions authorised or approved by the directors for taxes or contingencies; and

all other liabilities of the Company of whatsoever kind and nature, except liabilities represented by share capital, share premium and retained earnings.

88.8 For the purposes of calculating the Net Asset Value the value of the Securities and other assets owned or unconditionally and irrevocably contracted for by the Company and the

amount of any liabilities of the Company not denominated in Sterling shall be converted into Sterling at such rate as the Directors deem appropriate.

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

89. Number of Directors

Unless and until otherwise determined by the Company by special resolution, the number of Directors (other than any alternate Directors) shall be not more than 20 or less than 2.

90. Power of Company to appoint Directors

90.1 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, but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles.

90.2 Notwithstanding anything to the contrary in these Articles, for as long as the Principal Pension Investor represent not less than 20 per cent of the entire issued share capital of the Company, the Principal Pension Investor shall have the right to appoint 1 Director ("**PPI Director**") and to remove any one PPI Director and appoint any other person in his place, and on any resolution of the holders to appoint or remove an PPI Director only the Principal Pension Investor shall be entitled to vote.

90.3 In addition, any PPI Director can be appointed or removed by delivering a written notice of appointment or removal signed by an authorised signatory for and on behalf of the Principal Pension Investor to the Company's registered office and such notice shall be effective when received at the Company's registered office.

91. Power of Board to appoint Directors

Subject to Article 90.2, without prejudice to the power of the Company to appoint any person to be a Director pursuant to these Articles, the Board shall have 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 exceed any maximum number fixed in accordance with these Articles. Any Director so appointed shall retire at the annual general meeting of the Company next following such appointment and shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

92. Appointment of executive Directors

Subject to the provisions of the Law, the Board may from time to time appoint one or more of its body to hold any employment or executive office (including that of Chief Executive or Managing Director) for such term and subject to such other conditions as the Board thinks fit in accordance with Article 119. The Board may revoke or terminate any such appointment without prejudice to any claim for damages for breach of contract between the Director and the Company.

93. Eligibility of new Directors

No person, other than a Director retiring (by rotation or otherwise), shall be appointed or re-appointed a Director at any general meeting unless:

- (a) he is recommended by the Board; or
- (b) not less than 7 nor more than 42 days before the date appointed for the meeting, notice duly executed by a member (other than the person to be proposed) qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or re-appointment, stating the particulars which would, if he were so appointed or re-appointed, be required to be included in the Company's

register of directors, together with notice executed by that person of his willingness to be appointed or re-appointed, is lodged at the Office.

94. Share qualification

A Director shall not be required to hold any shares of the Company.

95. Resolution for appointment

A resolution for the appointment of 2 or more persons as Directors by a single resolution shall be void unless an ordinary resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against it.

96. Retirement by rotation

At each annual general meeting of the Company one-third of the Directors who are subject to retirement by rotation or, if their number is not 3 or a multiple of 3, the number nearest to but not exceeding one-third shall retire from office. If there are fewer than 3 Directors who are subject to retirement by rotation, one Director shall retire from office.

97. Directors subject to retirement by rotation

Subject to the provisions of the Law and of these Articles, the Directors to retire by rotation at each annual general meeting shall be so far as necessary to obtain the number required, first, any Director who wishes to retire and not 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. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the start of business on the date of the notice convening the annual general meeting notwithstanding any change in the number or identity of the Directors after that time but before the close of the meeting.

98. Position of retiring Director

A Director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to act, be re-appointed. If he is not re-appointed 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 and lost.

99. Deemed re-appointment

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 is expressly resolved not to fill the vacancy or a resolution for the re-appointment of the Director is put to the next annual general meeting and lost.

100. Removal by ordinary resolution

The Company may by ordinary resolution remove any Director before the expiration of his period of office, 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.

101. Vacation of office by Director

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 resigns by notice in writing delivered to the Secretary at the Office or tendered at a Board meeting;
- (b) he ceases to be a Director or removed from office pursuant to these Articles or becomes prohibited by law from being a Director;
- (c) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally;
- (d) an order is made by any court of competent jurisdiction on the ground (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;
- (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 6 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 address as shown in the register of Directors and signed by all the other Directors without prejudice to any claim for damages which he may have for breach of any contract between him and the Company and, for this purpose, a set of like notices signed by one or more of the Directors shall be effected as a single notice signed by all the Directors.

102. Resolution as to vacancy conclusive

A resolution of the Board declaring a Director to have vacated office under the terms of Article 101 shall be conclusive as to the fact and grounds of vacation stated in the resolution.

ALTERNATE DIRECTORS

103. Appointments

- 103.1 Each Director (other than an alternate Director) may, by notice in writing delivered to the Secretary at the Office, or in any other manner approved by the Board, appoint any other Director or any person approved for that purpose by the Board and willing to act, to be his alternate.
- 103.2 An alternate Director need not hold a share qualification and shall not be counted in reckoning any maximum or minimum number of Directors allowed by these Articles.

104. Participation in Board meetings

Every alternate Director shall (subject to his giving to the Company an address 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 purpose of determining whether a quorum is present.

105. Alternate Director responsible for own acts

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.

106. Interests of alternate Director

An alternate Director shall be entitled to contract and be interested in and benefit from contracts or 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 in writing to the Company 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.

107. Revocation of appointment

An alternate Director shall cease to be an alternate Director:

- (a) if his appointor revokes his appointment; or
- (b) 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
- (c) if any event happens in relation to him which, if he were a Director otherwise appointed, would cause him to vacate office.

DIRECTORS' REMUNERATION, EXPENSES AND PENSIONS

108. Directors' fees

Subject to Article 116.3, the Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £100,000 per annum or such other sum as the Company in general meeting by ordinary resolution shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or, in default of such determination, equally (except that in such event any Director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he holds office). Any fees payable pursuant to this Article shall be distinct from 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.

109. Expenses

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

110. Additional remuneration

If by arrangement with the Board any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration

(whether by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

111. Remuneration of executive Directors

Subject to Article 116.3, 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.

112. Pensions and other benefits

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for, or to institute and maintain any institution, association, society, club, trust, other establishment or profit-sharing, share incentive, share purchase or employees' share scheme calculated to advance the interests of the Company or to benefit, any person who is or has at any time been a Director or employee of the Company or any company which is a holding company or a subsidiary undertaking of or allied to or associated with the Company or any such holding company or subsidiary undertaking or any predecessor in business of the Company or of any such holding company or subsidiary undertaking, and for any member of his family (including a spouse or former spouse) and any person who is or was dependent on him. For such purpose the Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the provisions of the Law, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with any of the aforesaid matters. The Board may procure any of such matters to be done by the Company either alone or in conjunction with any other person. Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under this Article and shall not be obliged to account for it to the Company.

POWERS AND DUTIES OF THE BOARD

113. Powers of the Board

Subject to the provisions of the Law, the memorandum of association of the Company 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 the memorandum of association or 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. Provisions contained elsewhere in these Articles as to any specific power of the Board shall not be deemed to limit the general powers given by this Article.

114. Powers of Directors being less than minimum number

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 2 members may summon a general meeting for the purpose of appointing Directors. Subject to the provisions of these Articles, any additional Director so appointed shall 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.

115. Powers of executive Directors

The Board may from time to time;

- (a) delegate or entrust to and confer on any Director holding executive office (including a Chief Executive or 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
- (b) revoke, withdraw, alter or vary all or any of such powers.

116. Delegation to committees

116.1 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) at least one member of the committee shall be a Director; and
- (b) no resolution of a committee shall be effective unless at least one Director or his alternate Director voted in favour of such resolution.

116.2 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.

116.3 (a) The Board shall establish, without limitation, the following two committees of the Board:

- (i) an audit committee; and
- (ii) a remuneration committee ("**Remuneration Committee**");

consisting of any one or more Directors (except those Directors who have been appointed as executive Directors under Article 86, and except those who hold an executive office with a subsidiary or subsidiary undertaking of the Company).

(b) In respect of the Remuneration Committee, the Directors shall delegate the powers contained in this Article 116.3 to the Remuneration Committee notwithstanding any other provisions of these Articles.

(c) The Remuneration Committee shall have the power:

- (i) to elect the Chairman and any Deputy Chairman of the Board with the power to remove any person so appointed, and the power to determine the period for which and the basis on which any Chairman or Deputy Chairman holds office;
- (ii) to determine the remuneration to be paid to such persons and to any executive Director of the Company;
- (iii) to determine and implement any best practice provisions in the London Stock Exchange's listing rules in relation to Directors' remuneration; and
- (iv) have all powers, authorities and discretions incidental to the above powers or necessary for the purpose of performing them. The term "**remuneration**" in this

Article is deemed to include all other benefits including (without limitation) share options, pensions, allowances, gratuities, life assurances, bonuses and compensation payments.

- (d) The Chairman of the Remuneration Committee shall be elected by the members of the Remuneration Committee.
- (e) The provisions of these Articles as to meetings and proceedings of Directors shall apply equally to meetings and proceedings of the Remuneration Committee except that the quorum necessary for the transaction of business is the nearest whole number to but not exceeding two-thirds of the members of the Remuneration Committee at the relevant time.
- (f) Every person appointed a non-executive Director of the Company shall automatically become entitled to be appointed as a member of the Remuneration Committee and will if he is appointed cease to be a member of the Remuneration Committee on his retirement or removal from office as a Director, or when he becomes an executive Director or a Director holding an executive office with a subsidiary or subsidiary undertaking of the Company.
- (g) The powers of the Remuneration Committee to appoint and remove the Chairman and any Deputy Chairman of the Company shall not be prejudiced or affected because any such Chairman or Deputy Chairman is an executive Director nor because any such person has a contract of service with the Company.
- (h) The Board shall not amend or vary the powers of the Remuneration Committee as set out in this Article. Any amendment shall be made by a special resolution of the Company in general meeting.

117. Local management

The Board may establish any local or divisional boards or agencies for managing any of the affairs of the Company in any specified locality 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 so appointed 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 2 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.

118. Power of attorney

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.

119. Exercise of voting power

The Board may exercise or cause to be exercised the voting power conferred by the shares in any other company held or owned by the Company, or any power of appointment to be

exercised by the Company, in such manner in all respects as it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of any Director as a director or other officer or employee of such company or in favour of the payment of remuneration to the directors, officers or employees of such company).

120. Provision for employees

The Board may make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiary undertakings (or any member of his family or any person who is dependent on him) in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary undertaking.

121. Overseas registers

Subject to the provisions of the Law and the Regulations, the Board may exercise the powers conferred on the Company with regard to the keeping of an overseas branch, local or other register and may make and vary such regulations as it thinks fit respecting the keeping of any such register.

122. Borrowing and Mortgaging powers

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the provisions of the Law, to create and issue debenture and other loan stock and debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

PROCEEDINGS OF DIRECTORS AND COMMITTEES

123. Board meetings

Subject to the provisions of these Articles, the Board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit, but shall meet at least once in Jersey every quarter year.

124. Notice of Board meetings

One Director may, and the Secretary at the request of a Director shall, summon a Board meeting at any time on reasonable notice. Notice of a Board meeting shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for that purpose. A Director may waive the requirement that notice be given to him of any Board meeting, either prospectively or retrospectively.

125. Quorum

The quorum necessary for the transaction of business may be determined by the Board and until otherwise determined shall be 2 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.

126. Chairman of Board

Subject to Article 116.3, the Board may appoint one or more of its body Chairman or Joint Chairman and one or more of its body Deputy Chairman of its meetings and may determine the period for which he is or they 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 a Chairman nor a Deputy Chairman is present within 5 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 Joint Chairmen or, in the absence of a Chairman, two or more Deputy Chairmen being present, the Joint Chairman or Deputy Chairman to act as Chairman of the meeting shall be decided by those Directors present. Any Chairman or Deputy Chairman may also hold executive office under the Company.

127. Voting

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

128. Participation by telephone or facsimile

128.1 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 or any other form of communications equipment, provided: (a) that all persons participating in the meeting are able to hear and speak to each other throughout such meeting or by exchange of facsimile transmissions addressed to the Chairman of the meeting, and (ii) that no Directors or their alternates physically present in the United Kingdom may vote or count in the quorum in such meeting.

128.2 Subject to Article 128.1, a person so participating by being present or being in telephone communication with or by exchanging facsimile transmissions with those in the meeting or with the Chairman of the meeting 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.

128.3 A resolution passed at any meeting held in the above manner, and signed by the Chairman of the meeting, shall be as valid and effectual as if it had been passed at a meeting of the Board (or committee, as the case may be) duly convened and held.

129. Resolution in writing

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

- (a) may consist of several documents in the same form each executed by one or more of the Directors or members of the relevant committee, including executions evidenced by means of facsimile transmission, provided always that such a resolution shall only become effective on being last signed outside of the United Kingdom;
- (b) need not be signed by an alternate Director if it is signed by the Director who appointed him;
- (c) if signed by an alternate Director, need not also be signed by his appointor; and
- (d) to be effective, need not be signed by a Director who is prohibited by these Articles from voting thereon, or by his alternate.

130. Proceedings of committees

All committees of the Board shall, in the exercise of the powers delegated to them and in the transaction of business, conform with 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.

131. Minutes of proceedings

131.1 The Board shall cause minutes to be made in books kept for the purpose of recording:

- (a) all appointments of officers and committees made by the Board and of any such officer's salary or remuneration; and
- (b) the names of Directors present at every meeting of the Board, of a committee of the Board, of the Company or of the holders of any class of shares or debentures of the Company, and all orders, resolutions and proceedings of such meetings.

131.2 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 prima facie evidence of the matters stated in such minutes without any further proof.

132. Validity of proceedings

132.1 No meeting of the Directors shall be held in the United Kingdom and any decision reached or resolution passed by the Directors at any meeting which is held in the United Kingdom shall be invalid and of no effect.

132.2 Subject to Article 132.1, 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 of a committee and entitled to vote.

DIRECTORS' INTERESTS

133. Director may have interests

Subject to the provisions of the Law and provided that Article 134 is complied with, a Director, notwithstanding his office:

- (a) may 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 or place of profit or as vendor, purchaser or otherwise;
- (b) may hold any other office or place of profit under the Company (except that of Auditor or of auditor of a subsidiary of the Company) in conjunction with the office of Director 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) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- (d) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transaction or proposal;

and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

134. Disclosure of interests to Board

134.1 A Director who, to his knowledge, is in any way (directly or indirectly) interested in any contract, arrangement, transaction or proposal with the Company shall declare the nature and extent of his interest as soon as practicable after the Director becomes aware of the circumstances which gave rise to his duty to make the disclosure.

134.2 For the purposes of this Article and Articles 135 and 136:

- (a) a general notice given to the Board by a Director that he is to be regarded as having an interest (which includes the interest of his spouse, child, step-child or a company in which he owns at least 20 per cent, of the share capital) (of the nature and extent specified in the notice) in any contract, transaction, arrangement or proposal in which a specified person or class of persons is interested shall be deemed to be a sufficient disclosure under this Article in relation to such contract, transaction, arrangement or proposal;
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- (c) a Director shall be treated as having been interested if:
 - (i) it is an interest of his spouse, child or step-child; or
 - (ii) it is an interest of a body corporate in which he owns or is interested in at least one-fifth of the share capital or is entitled to exercise or control the exercise of one-fifth of the voting power at any general meeting; or
 - (iii) it is the interest of a person acting in his capacity as trustee of any trust the beneficiaries of which include the director, his spouse, children or step-children of his or a body corporate in which the director owns or is interested in at least one-fifth of the share capital or is entitled to exercise or control the exercise of one-fifth of the voting power at any general meeting.

135. Interested Director not to vote or count for quorum

Save as provided in this Article, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any other proposal whatsoever to which the Company is or is to be a party and in which he (together with his spouse, child, step-child or a company in which he owns at least 20 per cent, of the share capital) has an interest which is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company, unless the resolution concerns any of the following matters:

- (a) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

- (d) any proposal concerning any other body corporate in which he does not to his knowledge have an interest (which includes the interest of his spouse, child, step-child or a company in which he owns at least 20 per cent, of the share capital) in 1 per cent, or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of such body corporate;
- (e) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
- (f) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors.

136. Director's interest in own appointment

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 (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 (including fixing or varying the terms of appointment or its termination) of 2 or more Directors to offices or places of profit with the Company or 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.

137. Chairman's ruling conclusive on Director's interest

If any question arises at any meeting as to the materiality of a Director's interest (other than the Chairman's interest) or as to the entitlement of any Director (other than the Chairman) to vote or be counted in a quorum, and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be referred to the Chairman of the meeting. The Chairman's ruling in relation to the Director concerned shall be final and conclusive.

138. Directors' resolution conclusive on Chairman's interest

If any question arises at any meeting as to the materiality of the Chairman's interest or as to the entitlement of the Chairman to vote or be counted in a quorum, and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be decided by resolution of the Directors or committee members present at the meeting (excluding the Chairman), whose majority vote shall be final and conclusive.

AUTHENTICATION OF DOCUMENTS

139. Power to authenticate documents

Any Director, 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 resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having their custody shall be deemed to be a person appointed by the Board for this purpose. 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 any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company 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.

SEALS

140. Safe custody

The Board shall provide for the safe custody of the Seal and of any other seal of the Company.

141. Application of seals

141.1 The Seal shall be used only by the authority of a resolution of the Board or of a committee of the Board so authorised. The Board may determine whether any instrument to which the Seal is affixed shall be signed and, if it is to be signed, who shall sign it and by what means. The Board may also determine, either generally or in a particular case, that a signature may be dispensed with or affixed by mechanical or other means. Unless otherwise so determined:

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

141.2 Every certificate or share warrant shall be issued either under the Seal (which may be affixed to it or printed on it by mechanical or other means) or in such other manner as the Board, having regard to the terms of issue, and the regulations of the London Stock Exchange, may authorise; all references in these Articles to the Seal shall be construed accordingly.

142. Official seal for use abroad

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

THE SECRETARY

143. The Secretary

143.1 Subject to the provisions of the Law, 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 terms and conditions as it thinks fit and any such person so appointed may be removed by the Board.

143.2 Any provision of the Law 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.

DIVIDENDS AND OTHER PAYMENTS

144. Declaration of dividends

Subject to the provisions of the Law 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. However, no dividend shall exceed the amount recommended by the Board.

145. Interim dividends

Subject to the provisions of the Law, 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 profits of the Company available for distribution. 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 with regard to dividend as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrear. 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.

146. Entitlement to dividends

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 proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly.

147. Calls or debts may be deducted from dividends

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.

148. Distribution in specie

The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares 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 footing of the value so fixed, in order to adjust the rights of members; and
- (c) to vest any such assets in trustees on trust for the persons entitled to the dividend,

149. Dividends not to bear interest

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

150. Method of payment

- 150.1 The Company may pay a dividend, interest or other amount payable in respect of a share by any method which the Board considers appropriate, including by cheque, warrant or money order or by a bank or other funds transfer system or (in respect of any uncertificated share) through the Relevant System in accordance with any authority given to the Company to do so (whether in writing, through the Relevant System or otherwise) by or on behalf of the member in a form or in a manner satisfactory to the Board. Any joint holder or other person jointly entitled to a share may give an effective receipt for a dividend, interest or other amount paid in respect of such share.

- 150.2 The Company may send a cheque, warrant or money order by post:
- (a) in the case of a sole holder, to his address as set out in the Register of Members;
 - (b) in the case of joint holders, to the registered address of the person whose name stands first in the Register of Members;
 - (c) in the case of a person or persons entitled by transmission to a share, as if it were a notice given in accordance with Article 163; or
 - (d) in any case, to a person and address that the person or persons entitled to the payment may in writing direct.
- 150.3 Every cheque, warrant or money order shall be sent at the risk of the person or persons entitled to the payment and shall be made payable to the order of the person or persons entitled or to such other person or persons as the person or persons entitled may in writing direct. The payment of the cheque, warrant or money order shall be a good discharge to the Company. If payment is made by a bank or other funds transfer or through the Relevant System, the Company shall not be responsible for amounts lost or delayed in the course of transfer. If payment is made by or on behalf of the Company through the Relevant System:
- (a) the Company shall not be responsible for any default in accounting for such payment to the member or other person entitled to such payment by a bank or other financial intermediary of which the member or other person is a customer for settlement purposes in connection with the Relevant System; and
 - (b) the making of such payment in accordance with any relevant authority and procedure referred to in Articles 150.1 and 150.2 shall be a good discharge to the Company.
- 150.4 The Board may:
- (a) lay down procedures for making any payments in respect of uncertificated shares through the Relevant System;
 - (b) allow any holder of uncertificated shares to elect to receive or not to receive any such payment through the Relevant System; and
 - (c) lay down procedures to enable any such holder to make, vary or revoke any such election.
- 150.5 The Board may withhold payment of a dividend (or part of a dividend) payable to a person entitled by transmission to a share until he has provided suitable evidence of his entitlement that the Board may reasonably require.
- 150.6 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.
- 150.7 The Board may, at its discretion, make provisions to enable a Depositary and/or any member as the Board shall from time to time determine to receive duly declared dividends in a currency or currencies other than sterling. For the purposes of the calculation of the amount receivable in respect of any dividend, the rate of exchange to be used to determine the foreign currency equivalent of any sum payable as a dividend shall be such rate or rates and the payment thereof shall be on such terms and conditions as the Board may in its absolute discretion determine.

151. Uncashed dividends

If in respect of a dividend or other amount payable in respect of a share, a cheque, warrant or money order is returned undelivered or left uncashed, or a transfer made by or through a bank transfer system and/or or other funds transfer systems (including without limitation, the

Relevant System in relation to any uncertificated shares) fails or is not accepted, on 2 consecutive occasions or, following one occasion and reasonable enquiries have failed to establish another address or account of the person entitled to the payment, the Company shall not be obliged to send or transfer any dividends or other moneys payable in respect of such share to that person until he notifies the Company of an address or account to be used for such purpose.

152. Unclaimed dividends

All dividends, interest or other sum payable and 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 been declared or became due for payment shall (if the Board so resolves) be forfeited and shall cease to remain owing by the Company.

153. Payment of scrip dividends

The Board may, with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to any holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution. The following provisions shall apply:

- (a) the said resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period or periods;
- (b) the entitlement of each holder of Ordinary Shares to new Ordinary Shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder would have received by way of dividend. For this purpose "**relevant value**" shall be calculated by reference to the average of the middle market quotations for the Ordinary Shares on AIM, for the day on which the Ordinary Shares are first quoted "**ex**" the relevant dividend and the four subsequent dealing days, or in such other manner as the Board may determine on such basis as it considers to be fair and reasonable. A certificate or report by the Auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount;
- (c) no fractions of a share shall be allotted. The Board may make such provisions as it thinks fit for any fractional entitlements 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 member and such accruals or retentions are applied to the allotment by way of bonus to or cash subscription on behalf of such member of fully paid Ordinary Shares and/or provisions whereby cash payments may be made to members in respect of their fractional entitlements;
- (d) the Board 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 place at which,
- (e) the latest time by which, elections must be lodged in order to be effective;
- (f) the Board may exclude from any offer any holders of Ordinary Shares or any ordinary Shares held by a Depositary or any Ordinary Shares on which dividends are payable in foreign currency 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) the Board may establish or vary from time to time a procedure for election mandates in respect of future rights of election and may determine that every duly effected election in respect of any Ordinary Shares shall be binding on every successor in title to the holder thereof;
- (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 duly made ("**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 may capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve) or of any of the profits which could otherwise have been applied in paying dividends in cash as the Board may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to the holders of the elected Ordinary Shares on that basis. A Board resolution capitalising any part of such reserve or fund or profits shall have the same effect as if such capitalisation had been declared by ordinary resolution of the Company in accordance with Article 155 and in relation to any such capitalisation the Board may exercise all the powers conferred on them by Article 155 without need of such ordinary resolution;
- (i) the additional Ordinary Shares so allotted shall rank pari passu in all respects with each other and with the fully paid Ordinary Shares in issue on the record date for the dividend in respect of which the right of election has been offered, except that they will not rank for any dividend or other distribution or other entitlement which has been declared, paid or made by reference to such record date; and
- (j) the Board may terminate, suspend or amend any offer of the right to elect to receive Ordinary Shares in lieu of any cash dividend at any time and generally may implement any scrip dividend scheme on such terms and conditions as the Board may from time to time determine and take such other action as the Board may deem necessary or desirable from time to time in respect of any such scheme.

154. Reserves

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

155. Capitalisation of reserves

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 unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those holders of Ordinary Shares or as they may direct, in those proportions, or partly in one way and partly in the other, provided that:

- (i) 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 unissued shares to be allotted to holders of Ordinary Shares credited as fully paid; and
 - (ii) in a case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company, the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves as shown in the latest audited accounts of the Company or such other accounts as may be relevant and would not be reduced below that aggregate by the payment thereof;
- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for 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.

156. Record dates

Notwithstanding any other provision of these Articles but without prejudice to the rights attached to any shares and subject always to the Law the Company or the Board may by resolution specify any date ("**record date**") as the date at the close of business (or such other time as the Board may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular and such record date may be on or at any time before the date on which the same is paid, made, given or served or (in the case of any dividend, distribution, interest, allotment or issue) at any time after the same is recommended, resolved, declared or announced but without prejudice to the rights inter se in respect of the same of transferors and transferees of any such shares or other securities. No change in the register of such holders after the record date shall invalidate the same.

ACCOUNTS

157. Accounting records

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

158. Inspection of records

No member (other than a Director) 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 the court, by the Board or by ordinary resolution of the Company.

159. Accounts to be sent to members

A copy of the Directors' and Auditors' Reports accompanied by a copy of the annual accounts shall, not less than 14 clear days before the annual general meeting before which they are to be laid, be delivered or sent by post or electronic communication or made available on the website of the Company as may be communicated by the Company to each member from time to time) to every member and holder of debentures of the Company and to the Auditors and to every other person who is entitled to receive notice of general meetings. However, this Article shall not require a copy of those documents to be delivered or sent or made available to any person who under the provisions of these Articles is not entitled to receive notices from the Company or to more than one of the joint holders of any shares or debentures or to be delivered or sent to any person (including any holder of debentures) of whose address the Company is unaware. In this Article, "**address**" in relation to electronic communications includes any number or address used for the purposes of such communications. 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 those documents as the regulations of that stock exchange may require.

NOTICES

160. Forms of Notices

160.1 Any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the Directors) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice, except that a notice to a holder of any uncertificated shares or given in respect of any such shares may be given electronically through the Relevant System (if permitted by, and subject to, the facilities and requirements of the Relevant System and subject to compliance with any relevant requirements of the AIM Rules and/or the London Stock Exchange).

160.2 In this Article 160, "**address**", in relation to electronic communications, includes any number or address used for the purposes of such communications.

161. Service on members

161.1 A notice or other document may be given by the Company to any member either:

- (a) personally; or
- (b) by sending it by post in a pre-paid envelope addressed to such member at his address as set out in the Register; or
- (c) by leaving it at that address; or
- (d) by giving it using electronic communications to an address for the time being notified to the Company by the member, or

- (e) (in accordance with the Law) by publishing such notice or other document on a web site to which such member has access; or
 - (f) by any other means authorised in writing by the member concerned or (in the case of a notice to a member holding uncertificated shares) by transmitting the notice through the Relevant System.
- 161.2 In the case of joint holders of a share, all notices and documents shall be given to the person whose name stands first in the Register in respect of that share. Notice so given shall be sufficient notice to all the joint holders.
- 161.3 If a member (or, in the case of joint holders, the person first named in the Register) has a registered address outside the United Kingdom but has given to the Company an address in the United Kingdom at which notices may be given to him or has an address which is registered on an overseas branch register or has an address to which notices may be sent using electronic communications, he shall be entitled to have notices or documents given to him at that address. Otherwise no such member (including any such joint holder) shall be entitled to receive any notice or other document from the Company.
- 161.4 Any notice or other document to be given to a member may be given by reference to the Register as it stands at any time within the period of 14 days before the day that the notice is given or (where and as applicable) within any other period permitted by, or in accordance with the requirements of, (to the extent applicable) the Law and the Regulations. No change in the Register after that time shall invalidate the giving of such notice or document or require the Company to give such item to any other person.
- 161.5 If on 3 consecutive occasions notices or other documents have been sent through the post to any member at his address as set out in the Register or his address for the service of notices but have been returned undelivered, such member shall not be entitled to be sent notices or other documents by the Company until he shall have communicated with the Company and supplied in writing a new registered address for the service of notices.
- 161.6 If on 3 consecutive occasions notices, notifications or other documents have been sent using electronic communications to an address for the time being notified to the Company by the member and the Company becomes aware that there has been a failure of transmission, the Company shall revert to giving notices, notifications and other documents to the member by post or by any other means authorised in writing by the member concerned. Such member shall not be entitled to receive notices, notifications or other documents from the Company using electronic communications until he shall have notified the Company in writing of a new address to which notices, notifications or other documents may be sent using electronic communications.

162. Notice by advertisement

- 162.1 If by reason of the suspension or curtailment of postal services in the United Kingdom or Jersey the Company is unable effectively to convene a general meeting by notices sent through the post, any such meeting may be convened by notice advertised once in at least 1 national newspaper published in the country in which the Company's registered office is located. The Company shall send a copy of the notice to members by post if at least 6 clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
- 162.2 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 in at least 1 national newspaper published in the country in which the Company's registered office is located.
- 162.3 Any notice given by advertisement in accordance with this Article shall be deemed to have been served at noon on the day on which the advertisement first appears.

163. Notice to persons entitled by transmission

- 163.1 A notice or other document may be given by the Company to a person entitled by transmission to a share in consequence of the death or bankruptcy of a member or otherwise 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 similar or equivalent description, at the address, if any, in the United Kingdom or to the address to which notices may be sent using electronic communications supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice, notification or other document may be given in any manner in which it might have been given if the event giving rise to the transmission had not occurred. The giving of notice in accordance with this Article shall be sufficient notice to all other persons interested in the share.
- 163.2 In this Article 163, "**address**", in relation to electronic communications, includes any number or address used for the purposes of such communications.

164. Evidence of service

- 164.1 A notice, notification or other document addressed to a member at his address as set out in the Register or address for giving notice in the United Kingdom or Jersey shall be, if sent by post, deemed to have been given at the time 24 hours after posting if pre-paid as first class post and at the time 48 hours after posting if pre-paid as second class post. In proving that notice has been given it shall be sufficient to prove that the envelope containing the notice or document was properly addressed, pre-paid and posted.
- 164.2 A notice, notification or other document addressed to a member at an address to which notices may be sent using electronic communications shall be, if sent by electronic communications, deemed to have been given at the expiration of 24 hours after the time it was sent. Proof that a notice or notification contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.
- 164.3 A notice or document not sent by post but:
- (a) left at a registered address or address for giving notice in the United Kingdom or Jersey shall be deemed to be given on the day it is left;
 - (b) sent to a member by publishing such notice or other document on a website shall be deemed to have been served or delivered when the notice or other document was first made available on the website or, if later, when the recipient received (or is deemed to have received) notification of the fact that the notice or other document was available on the website; and
 - (c) given through the Relevant System shall be deemed to be given when the Company or any system-participant (as defined in the Regulations) or other relevant person acting on the Company's behalf sends the relevant issuer-instruction (as defined in the Regulations) or other relevant message in respect of such notice.
- 164.4 A member present either in person or by proxy, or in the case of a corporate member by a duly authorised representative, at any meeting of the Company or of the holders of any class of shares shall be deemed to have received due notice of such meeting and, where required, of the purposes for which it was called.

165. Notice binding on transferees

Every person who, by operation of law, transfers or by any other means becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the Register, has been duly given to a person from whom he derives his title.

WINDING UP

166. Division of assets

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by 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 liquidator may, with the like sanction, vest the whole or any part 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.

INDEMNITY

167. Right to indemnity

Subject to the provisions of the Law, but without prejudice to any indemnity to which he may be otherwise entitled, every Director, alternate Director, Secretary or other officer of the Company shall be entitled to be indemnified and, if the Board so determines, an Auditor may 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 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 in defending any 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 as Auditor, and in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Law in which relief is granted to him by any court of competent jurisdiction.

168. Power to insure

Subject to the provisions of the Law, 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 or auditor of the Company or of any other company which is a subsidiary or subsidiary undertaking of the Company or in which the Company has an interest whether direct or indirect, or who is or was at any time a trustee of any pension fund or employee benefits trust in which any employee of the Company or of any such other company or subsidiary undertaking is or has been interested indemnifying such person 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, employee, auditor or trustee.

169. Electronic Communications

169.1 Notwithstanding anything in these Articles to the contrary and without prejudice to any other Article in these Articles, any notice or other document to be given or sent to any person by the Company is also to be treated as given or sent where:

- (a) the Company and that person have agreed that any notice or other document required to be given or sent to that person may instead be accessed by him on a specified web site;
- (b) the meeting (in the case of a notice of meeting) or other document (in any other case) is one to which that agreement applies;
- (c) that person is notified, in a manner for the time being agreed between him and the Company, of the publication of the notice or (as the case may be) other document on a web site, the address of that web site and the place on that web site where the

notice or (as the case may be) other document may be accessed and how it may be accessed; and

- (d) in the case of a notice of meeting, such notice of meeting is published in accordance with Article 169.3 and the notification referred to in Article 169.1(c) states that it concerns a notice of a company meeting served in accordance with the Law, specifies the place, date and time of the meeting and states whether the meeting is to be an annual or extraordinary general meeting.
- 169.2 A notice of meeting or other document treated as being given or sent shall be treated as so given or sent, as the case may be, at the time of the notification mentioned in Article 169.1(c).
- 169.3 Where a notice of meeting or other document is required by Article 169.1 to be published in accordance with this Article 169.3 it shall be treated as so published only if:
- (a) in the case of a notice of meeting, the notice is published on the web site throughout the period beginning with the giving of the notification referred to in Article 169.1(c); and
 - (b) in the case of a document referred to in Article 169.1, the document is published on the web site throughout the period beginning at least 14 clear days before the date of the relevant meeting and ending with the conclusion of the meeting and the notification referred to in Article 169.1(c) is given not less than 14 clear days before the date of the meeting.
- 169.4 Nothing in Article 169.3 shall invalidate the proceedings of the meeting where the notice or other document is published for a part, but not all, of the period mentioned in Article 169.3(a) or, as the case may be, Article 169.3(b) and the failure to publish the notice or other document throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.
- 169.5 The Board may from time to time make such arrangements or regulations (if any) as they may from time to time in their absolute discretion think fit in relation to the giving of notices, notifications or other documents by electronic communication by or to the Company and otherwise for the purpose of implementing and/or supplementing the provision of these Articles in relation to electronic communication and such arrangements and regulations (as the case may be) shall have the same effect as if set out in this Article.

TAKEOVER PROVISIONS

170. Prohibited Acquisitions

170.1 A person must not:

- (a) effect or purport to effect a Prohibited Acquisition (as defined in Article 170.5);
- (b) except as a result of a Permitted Acquisition (as defined in Article 170.4):
 - (i) whether by himself, or with persons determined by the Directors to be acting in concert with him, acquire after the date that this Article shall come into effect (“**the Effective Date**”) shares which, taken together with shares held or acquired after the Effective Date by persons determined by the Directors to be acting in concert with him, carry 30 per cent. or more of the voting rights attributable to Ordinary Shares of the Company; or
 - (ii) whilst he, together with persons determined by the Directors to be acting in concert with him, holds not less than 30 per cent., but not more than 50 per cent. of the voting rights attributable to Ordinary Shares, acquire after the Effective Date, whether by himself or with persons determined by the Directors to be acting in concert with him, additional Shares which, taken

together with Shares held by persons determined by the Directors to be acting in concert with him, increases his voting rights attributable to Ordinary Shares (each of limits described in Articles 170.1(b)(i) and 170.1(b)(ii) being a "Limit").

170.2 Where any person breaches any Limit, except as a result of a Permitted Acquisition, or becomes interested in any shares as a result of a Prohibited Acquisition, that person is in breach of these Articles.

170.3 The Directors may do all or any of the following where they have reason to believe that any Limit is or may be breached, or any Prohibited Acquisition has been or may be effected:

- (a) require any member or person appearing or purporting to be interested in any shares to provide such information as the Directors consider appropriate to determine any of the matters under this Article;
- (b) have regard to such public filings as they consider appropriate to determine any of the matters under this Article;
- (c) make such determinations under this Article as they think fit, either after calling for submissions from affected members or other persons or without calling for such submissions;
- (d) determine that the voting rights attached to such number of shares held by such persons as the Directors may determine are held, or in which such persons are or may be interested, in breach of this Article ("**Excess Shares**") are from a particular time incapable of being exercised for a definite or indefinite period;
- (e) determine that some or all of the Excess Shares must be sold;
- (f) determine that some or all of the Excess Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; or
- (g) take such other action as it thinks fit for the purposes of this Article including:
 - (i) prescribing rules (not inconsistent with this Article);
 - (iii) setting deadlines for the provision of information;
 - (iv) drawing adverse inferences where information requested is not provided;
 - (v) making determinations or interim determinations;
 - (vi) executing documents on behalf of a member;
 - (vii) paying costs and expenses out of proceeds of sale; and
 - (viii) changing any decision or determination or rule previously made.

170.4 An acquisition is a "**Permitted Acquisition**" if:

- (a) the Directors, acting in accordance with their fiduciary duties, consent to the acquisition (even if, in the absence of such consent, the acquisition would be a Prohibited Acquisition);
- (b) the acquisition is made in circumstances in which the City Code, if it applied to the Company, would require an offer to be made as a consequence and such offer is made in accordance with Rule 9 of the City Code, as if it so applied;

- (c) the acquisition arises from repayment of a stock-borrowing arrangement (on arm's length normal commercial terms); or
 - (d) a person breaches a Limit only as a result of the circumstances referred to in Article 170.8.
- 170.5 An acquisition is a "**Prohibited Acquisition**" if Rules 4, 5, 6 or 8 of the City Code, would in whole or part apply to the acquisition if the Company were subject to the City Code and the acquisition were made (or, if not yet made, would if and when made be) in breach of or otherwise would not comply with Rules 4, 5, 6 or 8 of the City Code.
- 170.6 The Directors have full authority to determine the application of this Article, including as to the deemed application of the whole or any part of the City Code. Such authority shall include all discretion vested in the Panel as if the whole or any part of the City Code applied including, without limitation, the determination of conditions and consents, the consideration to be offered and any restrictions on the exercise of control. Any resolution or determination of, or decision or exercise of any discretion or power by, the Directors or any Director or by the chairman of any meeting acting in accordance with their fiduciary duties and in good faith under or pursuant to the provisions of this Article 170.6 shall be final and conclusive; and anything done by, or on behalf of, or on the authority of, the Directors or any Director acting in accordance with their fiduciary duties and in good faith pursuant to the provisions of this Article 170.6 shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise on any ground whatsoever. The Directors shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this Article 170.6.
- 170.7 Any one or more of the Directors may act as the attorney(s) of any member in relation to the execution of documents and other actions to be taken for the sale of Excess Shares determined by the Directors under Article 170.6.
- 170.8 If as a consequence of the Company redeeming or purchasing its own shares, there is a resulting increase in the percentage of the voting rights attributable to the Ordinary Shares held by a person or persons determined by the Directors to be acting in concert and such an increase would constitute a breach of any Limit, such an increase shall be deemed a Permitted Acquisition.
- 170.9 This Article shall have effect only during such times as the City Code does not apply to the Company.

TREASURY SHARES

171. Treasury Shares

- 171.1 The Company may hold as treasury shares any of the limited shares in the capital of the Company that it has redeemed or purchased as treasury shares in accordance with the Law.
- 171.2 The Company may hold so many shares in the Company that it has redeemed or purchased as treasury shares in accordance with the Law as it thinks fit, provided that at least one person (not being the Company) holds at least one non-redeemable share in the capital of the Company.
- 171.3 If the Company holds shares as treasury shares, and on any day there ceases to be at least one person (not being the Company) who holds at least one non-redeemable share in the capital of the Company, the Company shall, within 12 months after that day, dispose of to another person or persons (not being the Company) at least one non-redeemable share in the Company.
- 171.4 The Company may:
- (a) cancel the shares that it holds shares as treasury shares;

- (b) sell the shares that it holds shares as treasury shares;
- (c) transfer the shares that it holds shares as treasury shares for the purposes of or under an employees' share scheme; or
- (d) hold the shares that it holds shares as treasury shares without cancelling, selling or transferring them.

171.5 While shares are held by the Company as treasury shares:

- (a) the Company shall not, for the purposes of Articles 71, 89 and 92(2) of the Law be treated as being a member or as holding shares in the Company;
- (b) the Register shall include an entry relating to the number of those shares held as treasury shares; and
- (c) the annual return provided under Article 71 of the Law shall include an entry relating to the number of those shares held as treasury shares on 1st January in the year of the return.
- (d) the Company shall not exercise any voting rights attaching to those shares;
- (e) if a provision of the Law (other than Article 58B of the Law) or these Articles requires:
 - (i) a proportion of votes attaching to shares held in the Company to be obtained, or
 - (ii) a proportion of the holders of shares of the Company, (which may include persons representing by proxy or other holders of shares of the Company) to consent or not to consent,
- (e) in order for a resolution to be passed or an action or decision to be taken or not to be taken by any person, those shares held as treasury shares by the Company shall not for the purposes of that provision be taken into account in determining:
 - (i) the total number of shares held in the Company, or
 - (ii) whether such a proportion has been attained;
- (f) the Company shall not make or receive any dividend, or any other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up), in respect of those shares;
- (g) the rights in respect of those shares shall not be exercised by or against the Company;
- (h) the obligations in respect of the shares shall not be enforceable by or against the Company; and
- (i) any purported exercise or enforcement of a right, obligation or requirement referred to in Articles 171.5(d) to 171.5(h) (inclusive) is void.

171.6 Nothing in Article 171.5 shall prevent:

- (a) an allotment of shares by the Company as fully paid bonus shares in respect of treasury shares; or
- (b) the payment by the Company of any amount payable on the redemption of redeemable shares that are held as treasury shares.