

THE COMPANIES ACT 2006

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PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

BANK OF GEORGIA GROUP PLC

(Adopted by Special Resolution passed on 26 March 2018 and with effect from 21 May 2018)

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## PRELIMINARY

### 1. ARTICLES OF ASSOCIATION

These Articles constitute the articles of association of the Company. No regulations contained in any statute or subordinate legislation, including the regulations contained in Schedule 3 to The Companies (Model Articles) Regulations 2008 SI 2008/3229, apply to the Company.

### 2. INTERPRETATION

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

"**Acts**" means CA 2006 and every other enactment from time to time in force concerning companies (including any orders, regulations or other subordinate legislation made under CA 2006 or any such other enactment), so far as they apply to or affect the Company;

"**Articles**" means the articles of association of the Company as altered from time to time;

"**auditors**" means the auditors from time to time of the Company or, in the case of joint auditors, any one of them;

"**board**" means the board of directors from time to time of the Company or the directors present at a duly convened meeting of the directors at which a quorum is present;

"**business day**" means a day (excluding Saturday) on which banks generally are open in the City of London for the transaction of normal banking business;

"**CA 2006**" means the Companies Act 2006;

"**certificated**" in relation to a share means a share which is not in uncertificated form;

"**clear days**" in relation to a period of notice means 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;

"**combined physical and electronic meeting**" means a meeting of members: (i) held or conducted at a physical location (or locations); and also (ii) hosted on an electronic platform;

"**Company**" means Bank of Georgia Group plc;

"**company**" includes any body corporate (not being a corporation sole) or association of persons, whether or not a company within the meaning of the Acts;

"**director**" means a director of the Company;

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

"**electronic form**" has the same meaning as in section 1168 of CA 2006;

"**electronic means**" has the same meaning as in section 1168 of CA 2006;

"**electronic platform**" means a facility or facilities (whether electronic or otherwise), other than physical presence at a meeting, which allows persons (who may not be physically present together) to communicate with each other, and with the persons at the physical location (or locations) of the meeting, any information or opinions they may have on any particular item of business at the meeting, and includes, without limitation, website addresses and teleconference systems and video conference systems;

**"entitled by transmission"** means, in relation to a share, entitled as a consequence of the death or bankruptcy of a member, or as a result of another event giving rise to a transmission of entitlement by operation of law;

**"FCA"** means the Financial Conduct Authority when performing its functions under Part VI of the Financial Services and Markets Act 2000;

**"hard copy form"** and **"hard copy"** have the same meanings as in section 1168 of CA 2006;

**"holder"** in relation to shares means the member whose name is entered in the register as the holder of the shares;

**"Listing Rules"** means the listing rules made by the FCA pursuant to Part VI of the Financial Services and Markets Act 2000;

**"London Stock Exchange"** means London Stock Exchange plc;

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

**"office"** means the registered office of the Company;

**"paid"** and **"paid up"** mean paid or credited as paid;

**"physical meeting"** means a meeting of members held or conducted at a physical location (or locations) and which is not a combined physical and electronic meeting;

**"recognised financial institution"** means a recognised clearing house acting in relation to a recognised investment exchange or a nominee of a recognised clearing house acting in that way or of a nominee of a recognised investment exchange which is designated for the purposes of section 778(2) of CA 2006;

**"register"** means the register of members of the Company kept pursuant to section 113 of CA 2006 or the issuer register of members and Operator register of members maintained pursuant to Regulation 20 of the Uncertificated Securities Regulations and, where the context requires, any register maintained by the Company or the Operator of persons holding any renounceable right of allotment of a share and cognate expressions shall be construed accordingly;

**"seal"** means the common seal of the Company and includes any official seal kept by the Company by virtue of sections 49 or 50 of CA 2006;

**"secretary"** means the secretary of the Company or any other person appointed by the board to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

**"uncertificated proxy instruction"** means a properly authenticated dematerialised instruction and/or other instruction or notification sent by means of a relevant system and received by such participant in that system acting on behalf of the Company as the board may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the board (subject always to the facilities and requirements of the relevant system concerned);

**"Uncertificated Securities Regulations"** means the Uncertificated Securities Regulations 2001; and

**"uncertificated"** means, in relation to a share, a share title to which is recorded in the register as being held in uncertificated form and title to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of a relevant system.

- 2.2 The expressions **"issuer register of members"**, **"Operator"**, **"Operator-instruction"**, **"Operator register of members"**, **"participating issuer"**, **"participating security"** and **"relevant system"** mean the same as in the Uncertificated Securities Regulations.



- 2.3 All references in the Articles to the giving of instructions by means of a relevant system shall be deemed to relate to a properly authenticated dematerialised instruction given in accordance with the Uncertificated Securities Regulations. The giving of such instructions shall be subject to:
- (a) the facilities and requirements of the relevant system;
  - (b) the Uncertificated Securities Regulations; and
  - (c) the extent to which such instructions are permitted by or practicable under the rules and practices from time to time of the Operator of the relevant system.
- 2.4 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special resolution is also effective for that purpose.
- 2.5 References to a "**meeting**" shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.
- 2.6 References to a "**debenture**" include debenture stock.
- 2.7 The word "**directors**" in the context of the exercise of any power contained in the Articles includes any committee consisting of one or more directors, any director holding executive office and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated.
- 2.8 Powers of delegation shall not be restrictively construed but the widest interpretation shall be given to them.
- 2.9 No power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation.
- 2.10 Except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under the Articles or under another delegation of the power.
- 2.11 References to a person who is attending or participating in a meeting "**electronically**" are references to a person whose attendance or participation in the meeting is enabled by an electronic platform and electronic attendance and participation shall be construed accordingly.
- 2.12 For the purposes of a combined physical and electronic meeting, references to members being present "**in person**" include members who are present physically, or attending electronically.
- 2.13 Save as aforesaid and unless the context otherwise requires, words or expressions contained in the Articles shall bear the same meaning as in the Acts but excluding any statutory modification thereof not in force when the Articles become binding on the Company.
- 2.14 References to a document being "**signed**" or "**executed**" include references to its being executed under hand or under seal or by any other method and, in the case of a communication in electronic form, such references are to its being authenticated as specified by the Acts.
- 2.15 Unless the context otherwise requires, any reference to "**writing**" or "**written**" shall include any method of reproducing words or text in a legible and non-transitory form and documents or information sent or supplied in electronic form or made available on a website are in "**writing**" for the purposes of the Articles.
- 2.16 Save where specifically required or indicated otherwise words importing one gender shall be treated as importing any gender, words importing individuals shall be treated as importing corporations and vice versa, words importing the singular shall be treated as importing the plural and vice versa, and words importing the whole shall be treated as including a reference to any part thereof.

- 2.17 Article headings are inserted for ease of reference only and shall not affect construction.
- 2.18 References to any statutory provision or statute include any modification or re-enactment thereof for the time being in force and all orders, regulations or other subordinate legislation made thereunder. This Article does not affect the interpretation of Article 2.13.

### **3. LIABILITY OF MEMBERS**

The liability of the members is limited to the amount, if any, unpaid on the shares in the Company held by them.

## **SHARES**

### **4. ALLOTMENT**

- 4.1 Subject to the provisions of the Acts, these Articles and any relevant authority given by the Company in general meeting, the board may exercise any power of the Company to offer, allot (with or without conferring rights of renunciation), grant options over, or otherwise deal with or dispose of shares of the Company, or to grant rights to subscribe for or to convert any security into shares of the Company, to such persons, at such times and on such terms as the board may decide.
- 4.2 The board may at any time after the allotment of a share but before a person has been entered in the register as the holder of the share recognise a renunciation of the share by the allottee in favour of another person and may grant to an allottee a right to effect a renunciation on such terms and conditions as the board thinks fit.

### **5. POWER TO ATTACH RIGHTS**

Subject to the provisions of the Acts and to any rights attached to any existing shares, any share may be allotted or issued with, or have attached to it, such rights or restrictions as the Company may by ordinary resolution determine, or, subject to and in default of such determination, as the board may determine.

### **6. REDEEMABLE SHARES**

Subject to the provisions of the Acts and to any rights attached to any existing shares, shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the holder, and the board may determine the terms, conditions and manner of redemption of any redeemable shares so issued.

### **7. COMMISSION AND BROKERAGE**

The Company may in connection with the issue of any shares or the sale for cash of treasury shares exercise all the powers conferred or permitted by the provisions of the Acts of paying commission or brokerage. Subject to the provisions of the Acts, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or other securities or by the grant of an option to call for such an allotment or by any combination of such methods as the board thinks fit.

### **8. TRUSTS NOT RECOGNISED**

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

## **9. UNCERTIFICATED SHARES**

- 9.1 Subject to the provisions of the Acts and to the Uncertificated Securities Regulations and the facilities and requirements of the relevant system concerned, the board has the power to resolve that a class of shares shall become a participating security and/or that a class of shares shall cease to be a participating security.
- 9.2 Uncertificated shares of a class are not to be regarded as forming a separate class from certificated shares of that class.
- 9.3 A member may, in accordance with the Uncertificated Securities Regulations, change a share of a class which is a participating security from a certificated share to an uncertificated share and from an uncertificated share to a certificated share.
- 9.4 The Company may give notice to a member requiring the member to change uncertificated shares to certificated shares by the time stated in the notice. The notice may also state that the member may not change certificated shares to uncertificated shares. If the member does not comply with the notice, the board may authorise a person to change the uncertificated shares to certificated shares in the name and on behalf of the member.
- 9.5 While a class of shares is a participating security, the Articles only apply to an uncertificated share of that class to the extent that they are consistent with:
- (a) the holding of shares of that class in uncertificated form;
  - (b) the transfer of title to shares of that class by means of a relevant system; and
  - (c) the Uncertificated Securities Regulations.
- 9.6 Notwithstanding any provisions of these Articles, the board has the power to implement any arrangements that it may, in its absolute discretion, think fit in relation to the evidencing of title to and transfer of an uncertificated share (subject to the Uncertificated Securities Regulations and the facilities and requirements of the relevant system concerned).
- 9.7 The Company shall enter on the register how many shares are held by each member in uncertificated form and in certificated form and shall maintain the register in each case as required by the Uncertificated Securities Regulations and the relevant system concerned. Unless the board otherwise determines, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings.
- 9.8 The Company shall be entitled to assume that the entries on any record of securities maintained by it in accordance with the Uncertificated Securities Regulations and regularly reconciled with the relevant Operator register of members are a complete and accurate reproduction of the particulars entered in the Operator register of members and shall not be liable in respect of any act or thing done or omitted to be done by or on behalf of the Company in reliance upon such assumption; in particular, any provision of these Articles which requires or envisages that action will be taken in reliance on information contained in the register shall be construed to permit that action to be taken in reliance on information contained in any relevant record of securities (as so maintained and reconciled).

## **SHARE CERTIFICATES**

### **10. RIGHT TO CERTIFICATE**

- 10.1 A person (except a person to whom the Company is not required by law to issue a certificate) whose name is entered in the register as a holder of a certificated share is entitled, without charge, to receive within two months of allotment or lodgement with the Company of a transfer to him of those shares or within two months after the relevant Operator instruction is received by the Company (or within any

other period as the terms of issue of the shares provide) one certificate for all the certificated shares of a class registered in his name or, in the case of certificated shares of more than one class being registered in his name, to a separate certificate for each class of shares.

- 10.2 Where a member transfers part of his shares comprised in a certificate he is entitled, without charge, to one certificate for the balance of certificated shares retained by him.
- 10.3 The Company is not bound to issue more than one certificate for certificated shares held jointly by two or more persons and delivery of a certificate to one joint holder is sufficient delivery to all joint holders.
- 10.4 A certificate shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up on the shares. It shall be issued under a seal, which may be affixed to or printed on it, or in such other manner as the board may approve, having regard to the terms of allotment or issue of the shares.
- 10.5 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.
- 10.6 Every share certificate sent in accordance with these Articles will be sent at the risk of the member or other person entitled to the certificate. The Company will not be responsible for any share certificate lost or delayed in the course of delivery.

## **11. REPLACEMENT CERTIFICATES**

- 11.1 Where a member holds two or more certificates for shares of one class, the board may at his request, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate for certificated shares of that class.
- 11.2 Where a certificate is worn out, damaged or defaced or it is alleged to have been lost, stolen or destroyed, the board may cancel it and issue a replacement certificate on such terms as to provision of evidence, indemnity and security for such indemnity as the board may think fit and subject to the payment of any exceptional out-of-pocket expenses incurred by the Company in the investigation of any evidence and the preparation of the indemnity (as required) as the board may decide.

## **LIEN**

## **12. COMPANY'S LIEN ON SHARES NOT FULLY PAID**

- 12.1 The Company has a first and paramount lien on all partly paid shares for an amount payable in respect of the share, whether the due date for payment has arrived or not. The lien applies to all dividends from time to time declared or other amounts payable in respect of the share.
- 12.2 The board may either generally or in a particular case declare a share to be wholly or partly exempt from the provisions of this Article. Unless otherwise agreed with the transferee, the registration of a transfer of a share operates as a waiver of the Company's lien (if any) on that share.

## **13. ENFORCEMENT OF LIEN BY SALE**

- 13.1 For the purpose of enforcing the lien referred to in Article 12, the board may sell all or any of the shares subject to the lien at such time or times and in such manner as it may decide provided that:
  - (a) the due date for payment of the relevant amounts has arrived; and
  - (b) the board has served a written notice on the member concerned (or on any person who is entitled to the shares by transmission or by operation of law) stating the amounts due, demanding payment thereof and giving notice that if payment has not been made within 14 clear days after the service of the notice that the Company intends to sell the shares.

- 13.2 To give effect to a sale, the board may authorise a person to transfer the shares in the name and on behalf of the holder (or any person who is entitled to the shares by transmission or by operation of law), or to cause the transfer of such shares, to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity in or invalidity of the proceedings connected with the sale.

#### **14. APPLICATION OF PROCEEDS OF SALE**

The net proceeds of a sale effected under Article 13, after payment of the Company's costs of the sale, shall be applied in or towards satisfaction of the amount in respect of which the lien exists. The balance (if any) shall (on surrender to the Company for cancellation of any certificate for the shares sold, or the provision of an indemnity as to any lost, stolen or destroyed certificate required by the board and subject to a like lien for any amounts not presently payable as existed on the shares before the sale) be paid to the member (or any person entitled to the shares by transmission or by operation of law) immediately before the sale.

### **CALLS ON SHARES**

#### **15. CALLS**

The board may make calls on members in respect of amounts unpaid on the shares held by them respectively (whether in respect of the nominal value or a premium) and not, by the terms of issue thereof, made payable on a fixed date. Each member shall (on receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company, at the time and place specified, the amount called as required by the notice. A call may be made payable by instalments and may, at any time before receipt by the Company of an amount due, be revoked or postponed in whole or in part as the board may decide. A call is deemed made at the time when the resolution of the board authorising the call is passed. A person on whom a call is made remains liable jointly and severally with the successors in title to his shares to pay the amount called even after he has transferred the shares to which the call relates. The joint holders of a share are jointly and severally liable to pay all calls in respect of that share.

#### **16. POWER TO DIFFERENTIATE**

The board may make arrangements on the allotment or, subject to the terms of the allotment, on the issue of shares for a difference between the allottees or holders in the amounts or times of payment of a call on their shares or both.

#### **17. INTEREST ON CALLS**

If a sum called is not paid on or before the date fixed for payment, the person from whom it is payable shall pay interest on the unpaid amount from the day the unpaid amount is due until the day it has been paid. The interest rate may be fixed by the terms of allotment or issue of the share or, if no rate is fixed, at such rate as the board may decide (which, unless the Company in general meeting shall otherwise direct by means of an ordinary resolution, must not exceed the Bank of England base rate by more than five (5) per cent. per annum). The board may waive payment of the interest in whole or in part.

#### **18. PAYMENT OF CALLS IN ADVANCE**

The board may, if it thinks fit, receive from a member all or part of the amounts uncalled and unpaid on shares held by him. A payment in advance of calls extinguishes to the extent of the payment the liability of the member on the shares in respect of which it is made. The Company may pay interest on the amount paid in advance, or on so much of it as from time to time exceeds the amount called on the shares in respect of which the payment in advance has been made, at such rate as the board may decide (which, unless the Company in general meeting shall otherwise direct by means of an ordinary resolution, must not exceed the Bank of England base rate by more than five (5) per cent. per annum).

## **19. AMOUNTS DUE ON ALLOTMENT OR ISSUE TREATED AS CALLS**

An amount (whether in respect of the nominal value or a premium) which by the terms of issue of a share becomes payable on allotment or issue or on a fixed date shall be deemed to be a call. In case of non-payment, the provisions of the Articles as to payment of interest, forfeiture or otherwise apply as if that amount has become payable by virtue of a call.

### **FORFEITURE**

## **20. NOTICE IF CALL NOT PAID**

If a member fails to pay the whole of a call or an instalment of a call by the date fixed for payment, the board may serve notice on the member or on a person entitled automatically by law to the share in respect of which the call was made demanding payment of the unpaid amount, on a date not less than 14 clear days from the date of the notice, together with any interest that may have accrued on it and all costs, charges and expenses incurred by the Company by reason of the non-payment. The notice shall state:

- (a) the place where payment is to be made;
- (b) the date by which the total amount due must be paid (which must not be less than 14 clear days from the date of the notice); and
- (c) that if the notice is not complied with the share in respect of which the call was made will be liable to be forfeited.

## **21. FORFEITURE FOR NON-COMPLIANCE**

If the notice referred to in Article 20 is not complied with, any share in respect of which it is given may, at any time before the payment required by the notice (including interest, costs, charges and expenses) has been made, be forfeited by a resolution of the board. All dividends declared or other amounts due in respect of the forfeited share and not paid before the forfeiture shall also be forfeited.

## **22. NOTICE AFTER FORFEITURE**

When a share has been forfeited, the Company shall serve notice of the forfeiture on the person who was before forfeiture the holder of the share or the person entitled by transmission to the share. An entry of the fact and date of forfeiture shall be made in the register. No forfeiture shall be invalidated by any omission to give such notice or to make such entry in the register.

## **23. DISPOSAL OF FORFEITED SHARES**

- 23.1 A forfeited share and all rights attaching to it shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was before such forfeiture the holder thereof or to another person, on such terms and in such manner as the board may decide. The board may, if necessary, authorise a person to transfer a forfeited share to a new holder. The Company may receive the consideration (if any) for the share on its disposal and may register or cause the registration of the transferee as the holder of the share.
- 23.2 The board may, before a forfeited share has been sold, re-allotted or otherwise disposed of, annul the forfeiture on such conditions as it thinks fit.
- 23.3 A statutory declaration that the declarant is a director or the secretary and that a share has been forfeited or sold to satisfy a lien of the Company on the date stated in the declaration is conclusive evidence of the facts stated in the declaration against all persons claiming to be entitled to the share. The declaration (subject if necessary to the transfer of the share) constitutes good title to the share and the person to whom the share is sold, re-allotted or disposed of is not bound to see to the application

of the consideration (if any). His title to the share is not affected by an irregularity in or invalidity of the proceedings connected with the forfeiture or disposal.

#### **24. ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

A person whose share has been forfeited ceases on forfeiture to be a member in respect thereof and if that share is in certificated form, shall surrender to the Company for cancellation any certificate for the forfeited share. A person remains liable to pay all calls, interest, costs, charges and expenses owing in respect of such share at the time of forfeiture, with interest, from the time of forfeiture until payment, at such rate as may be fixed by the terms of allotment or issue of such share or, if no rate is fixed, at such rate as the board may decide (which, unless the Company in general meeting shall otherwise direct by means of an ordinary resolution, must not exceed the Bank of England base rate by more than five (5) per cent. per annum). The board may if it thinks fit enforce payment without allowance for the value of such share at the time of forfeiture or for any consideration received on its disposal.

#### **25. SURRENDER**

The board may accept the surrender of a share liable to be forfeited and in that case references in the Articles to forfeiture include surrender.

### **TRANSFER OF SHARES**

#### **26. METHOD OF TRANSFER**

- 26.1 A member may transfer all or any of his certificated shares by instrument of transfer in writing in any usual form or in any other form approved by the board, and the 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) by or on behalf of the transferee.
- 26.2 A member may transfer all or any of his uncertificated shares in accordance with the Uncertificated Securities Regulations.
- 26.3 Subject to the provisions of the Uncertificated Securities Regulations, the transferor of a share is deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it.

#### **27. RIGHT TO REFUSE REGISTRATION**

- 27.1 Subject to this Article 27 and Article 66, shares of the Company are free from any restriction on transfer. In exceptional circumstances approved by the FCA, the board may refuse to register a transfer of certificated shares provided that such refusal would not disturb the market in those shares. Subject to the requirements of the Listing Rules, the board may, in its absolute discretion, refuse to register the transfer of a certificated share which is not fully paid or the transfer of a certificated share on which the Company has a lien.
- 27.2 The board may also, in its absolute discretion, refuse to register the transfer of a certificated share or a renunciation of a renounceable letter of allotment unless all of the following conditions are satisfied:
- (a) it is in respect of only one class of shares;
  - (b) it is in favour of (as the case may be) a single transferee or renounee or not more than four joint transferees or renounees;
  - (c) it is duly stamped (if required); and
  - (d) it is delivered for registration to the office or such other place as the board may decide, accompanied by the certificate for the shares to which it relates (except in the case of a

transfer by a recognised financial institution where a certificate has not been issued, or in the case of a renunciation) and such other evidence as the board may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

- 27.3 If the board refuses to register the transfer of a certificated share it shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal, together with its reasons for the refusal, to the transferee. An instrument of transfer which the board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. Subject to Article 142, the Company may retain all instruments of transfer which are registered.
- 27.4 In accordance with and subject to the provisions of the Uncertificated Securities Regulations, the Operator of the relevant system shall register a transfer of title to any uncertificated share or any renounceable right of allotment of a share which is a participating security held in uncertificated form unless the Uncertificated Securities Regulations permit the Operator of the relevant system to refuse to register such a transfer in certain circumstances in which case the said Operator may refuse such registration.
- 27.5 If the Operator of the relevant system refuses to register the transfer of an uncertificated share or of any such uncertificated renounceable right of allotment of a share it shall, within the time period stipulated by the Uncertificated Securities Regulations, send notice of the refusal to the transferee.
- 27.6 In accordance with and subject to the provisions of the Uncertificated Securities Regulations, where title to an uncertificated share is transferred by means of a relevant system to a person who is to hold such share in certificated form thereafter, the Company as participating issuer shall register the transfer in accordance with the relevant Operator-instruction, but so that the Company may refuse to register such a transfer in any circumstance permitted by the Uncertificated Securities Regulations.
- 27.7 In accordance with the Uncertificated Securities Regulations, if the Company as participating issuer refuses to register the transfer of title to an uncertificated share transferred by means of a relevant system to a person who is to hold such share in certificated form thereafter, it shall, within two months after the date on which the Operator-instruction was received by the Company, send notice of the refusal, together with its reasons for the refusal, to the transferee.

## **28. OWNERSHIP RESTRICTIONS**

- 28.1 Without prejudice to the remaining provisions of this Article 28 each member acknowledges that the Company may from time to time directly or indirectly hold interests in shares or otherwise have the direct or indirect ability to exercise voting rights in regulated group companies. Such holding or ability to exercise voting rights may impose regulatory requirements on the member or any other person (as a person indirectly interested in such a regulated group company). The provisions of this Article 28 are in addition to and without prejudice to any obligations of any person to comply with regulatory requirements and other laws and regulations. Although the Company may from time to time publish on its website, for information purposes only, regulatory requirements applicable to its regulated group companies, it shall be under no obligation to do so.
- 28.2 No person may directly or indirectly acquire (through a transaction or series of transactions), hold and/or otherwise have the direct or indirect ability to exercise voting rights in respect of, interests in shares of the Company which would result in such person directly or indirectly, alone or together with any of its related person(s), having a significant interest without the prior satisfaction of, or timely compliance with, all regulatory requirements.
- 28.3 If, on the date of adoption of these Articles or at any subsequent time, a person acquires or otherwise holds a significant interest they shall be required to:



- (a) disclose to the Company the identity of the ultimate beneficial owner(s) of such significant interest; and
- (b) certify to the Company that such person(s) (or such ultimate beneficial owner(s)) has/have complied with all regulatory requirements in respect of the acquisition and/or holding (as applicable) of such significant interest.

A notification and certification to be given to the Company pursuant to this Article 28.3 shall be in writing, addressed to the Company Secretary and delivered to the registered office of the Company by facsimile or by hand or postal delivery by the earlier of the date falling 5 business days after the completion of the acquisition of the significant interest or the date on which such person(s) otherwise obtain(s) the significant interest (as applicable).

28.4 If the Company (whether pursuant to Article 28.3 or otherwise) knows or has reasonable cause to believe that a person has failed to comply with the terms of Articles 28.2 and/or 28.3 and the Company determines (based on a notification by a regulatory authority or on legal advice) that such failure has, will or may cause the Company and/or any of its subsidiaries to be unable to exercise, directly or indirectly, voting rights in any regulated group company and/or a regulatory authority has, will or may impose any material penalties on the Company and/or any of its subsidiaries and/or any regulated group company, the Company shall forthwith either:

- (a) send a notice (a "**default notice**") to the person(s) requiring such person(s), by no later than the end of the prescribed period, to:
  - (i) disclose the identity of the ultimate beneficial owner(s) of any significant interest held by him and/or any of his related persons (a "**relevant holding**"); and
  - (ii) certify that all regulatory requirements in respect of the relevant holding have been satisfied; or
- (b) send a notice (a "**disenfranchisement notice**") to the relevant member(s) informing him/them that in respect of such part of his/their holding of interests in shares in the Company (including, for the avoidance of doubt, any interests in shares allotted or issued after the date of the disenfranchisement notice in respect of that holding) which is held in contravention of Article 28.2 and/or Article 28.3, (a "**default holding**") he/they shall not be entitled to vote (either in person or by proxy) the default holding at a general meeting or at a separate meeting of the holders of a class of shares or on a poll during the default period.

28.5 Where a default notice is served by the Company pursuant to Article 28.4(a) and the member or other person fails to give the Company the required disclosures and certifications in an acceptable form within the prescribed period and the Company determines (based on a notification by a regulatory authority or on legal advice) that such failure has, will or may cause the Company and/or any of its subsidiaries to be unable to exercise, directly or indirectly, voting rights in any regulated group company and/or a regulatory authority has, will or may impose any material penalties on the Company and/or any of its subsidiaries and/or any regulated group company, the Company shall forthwith send a disenfranchisement notice to the relevant member(s).

28.6 Any default notice or disenfranchisement notice served pursuant to Article 28.4 or Article 28.5 shall specify the reasons for such notice and, in the case of a disenfranchisement notice, shall specify the restriction end date. If the Company sends a default notice or disenfranchisement notice to any person other than a member, it shall at the same time send a copy of such notice to the relevant member(s) but the accidental omission to do so, or the non-receipt by the member(s) of the copy, shall not invalidate or otherwise affect the application of Article 28.4 or Article 28.5.

28.7 For the purpose of enforcing the sanctions in Article 28.4(b) and Article 28.5, the Company may give notice to a member requiring the member to convert the shares comprising the default holding held in

uncertificated form to certificated form by the time stated in the notice. The notice may also state that, with respect to any shares held in certificated form constituting the default holding, the member may not convert such shares to uncertificated form. If the member does not comply with the notice, the Company may require the Operator to convert such shares held in uncertificated form into certificated form in the name and on behalf of the member in accordance with the Uncertificated Securities Regulations.

28.8 For the purpose of this Article 28:

- (a) "**default period**" means the period commencing on the date of the disenfranchisement notice and ending on the restriction end date;
- (b) "**restriction end date**" means the date falling 7 days after the earlier of: (a) the date on which all of the relevant default holding is transferred pursuant to an excepted transfer (as defined in Article 66) in each case in compliance with the provisions of Article 28.2; or (b) the date on which the Company is reasonably satisfied (whether pursuant to a notice received pursuant to Article 28.4(a) or otherwise) that the provisions of Article 28.2 have been complied with in respect of the default holding;
- (c) "**interests in shares**" has the meaning given to in sections 820 to 825 of CA 2006;
- (d) "**prescribed period**" means the period of 30 days commencing on the date of the default notice;
- (e) "**regulated group company**" means any subsidiary undertaking of the Company from time to time which is licensed and/or supervised by a regulatory authority and "**regulated group companies**" shall be construed accordingly;
- (f) "**regulatory authority**" means the relevant regulator in relation to a regulatory requirement being at the date of adoption of these Articles the National Bank of Georgia and/or the National Bank of the Republic of Belarus (or, in either case, any successor body(ies) thereto or other entity with the authority to regulate the relevant regulatory requirement);
- (g) "**related person**" means, with respect to a member, any person having agreed with such member, in writing or otherwise, to each acquire, sell or otherwise transfer interests in shares of the Company or any regulated group company and/or to exercise voting rights in relation to such shares in accordance with such agreement and/or to implement a common policy with respect to the Company or the relevant regulated group company (as the case may be). Unless satisfactory evidence to the contrary is provided to the Company, each of the following will also be deemed to be a related person with respect to such member:
  - (i) any person controlling or controlled by such member;
  - (ii) any person controlled by a company controlling such member; and
  - (iii) each of the managing directors, board of directors or members of the supervisory board (or equivalent) of such member;
- (h) "**regulatory requirement**" means a requirement pursuant to the Law of Georgia on Activities of Commercial Banks, the Law of Georgia on the Securities Market, the Law of Georgia on Insurance, the Banking Code of the Republic of Belarus or rules, orders, normative acts or regulations adopted pursuant thereto (in each case as amended from time to time) to notify, seek the approval of or otherwise comply with any requirement of a regulatory authority in relation to the acquisition or holding of a significant interest; and

- (i) **"significant interest"** means a direct or indirect interest in shares of or ability to exercise voting rights over at least 10 per cent., 25 per cent. or 50 per cent. (or such other percentages as a regulatory authority may determine from time to time) in any regulated group company.

## **29. FEES ON REGISTRATION**

The Company (in its absolute discretion) may or may not charge a fee for registering the transfer of a share or the renunciation of a renounceable letter of allotment or other document or instructions relating to or affecting the title to a share or the right to transfer it or for making any other entry in the register.

## **TRANSMISSION OF SHARES**

### **30. ON DEATH**

- 30.1 The Company shall recognise only the executor or personal representative or representatives of a deceased member as having title to a share held by that member alone or to which he alone was entitled. In the case of a share held jointly by more than one person, the Company may recognise only the survivor or survivors as being entitled to it.
- 30.2 Nothing in the Articles releases the estate of a deceased member from liability in respect of a share which has been solely or jointly held by him.

### **31. ELECTION OF PERSON ENTITLED BY TRANSMISSION**

- 31.1 A person becoming entitled by transmission to a share may, on production of such evidence as the board may require as to his entitlement, elect either to be registered as a member or to have a person nominated by him registered as a member.
- 31.2 If he elects to be registered himself, he shall give notice to the Company to that effect. If he elects to have another person registered, he shall:
  - (a) if it is a certificated share, execute an instrument of transfer of the share to that person; or
  - (b) if it is an uncertificated share:
    - (i) procure that instructions are given by means of a relevant system to effect transfer of the share to that person; or
    - (ii) change the share to a certificated share and execute an instrument of transfer of the share to that person.
- 31.3 All the provisions of the Articles relating to the transfer of certificated shares 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 giving rise to a transmission of entitlement had not occurred.
- 31.4 The board may give notice requiring a person to make the election referred to in Article 31.1. If that notice is not complied with within 60 days, the board may withhold payment of all dividends and other amounts payable in respect of the share until notice of election has been made.

### **32. RIGHTS ON TRANSMISSION**

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share cease. The person entitled by transmission may, however, give a good discharge for dividends and other amounts payable in respect of the share and, subject to Articles 31 and 122, has the rights to which he would be entitled if he were the holder of the share. The person entitled by transmission is not, however, before he is registered as the holder of the share entitled in respect of it to receive notice

of or exercise rights conferred by membership in relation to meetings of the Company or a separate meeting of the holders of a class of shares.

### UNTRACED SHAREHOLDERS

#### 33. POWER OF SALE

33.1 Subject to the Uncertificated Securities Regulations, the Company may sell the share of a member or of a person entitled by transmission at the best price reasonably obtainable at the time of sale, if:

- (a) during a period of not less than 12 years before the date of publication of the advertisements referred to in Article 33.1(c) (or, if published on two different dates, the first date) (the "**relevant period**") at least three cash dividends have become payable in respect of the share;
- (b) throughout the relevant period no cheque, warrant or money order payable on the share has been presented by the holder of, or the person entitled by transmission to, the share to the paying bank of the relevant cheque, warrant or money order, no payment made by the Company by any other means permitted by Article 123.1 has been claimed or accepted and, so far as any director of the Company at the end of the relevant period is then aware, the Company has not at any time during the relevant period received any communication from the holder of, or person entitled by transmission to, the share;
- (c) on expiry of the relevant period the Company has given notice of its intention to sell the share by advertisement in a national newspaper and in a newspaper circulating in the area of the address of the holder of, or person entitled by transmission to, the share shown in the register; and
- (d) the Company has not, so far as the board is aware, during a further period of three months after the date of the advertisements referred to in Article 33.1(c) (or the later advertisement if the advertisements are published on different dates) and before the exercise of the power of sale received a communication from the holder of, or person entitled by transmission to, the share.

33.2 Where a power of sale is exercisable over a share pursuant to Article 33.1 (a "**Sale Share**"), the Company may at the same time also sell any additional share issued in right of such Sale Share or in right of such an additional share previously so issued provided that the requirements of Articles 33.1(a) to 33.1(d) (as if the words "throughout the relevant period" were omitted from Article 33.1(b) and the words "on expiry of the relevant period" were omitted from Article 33.1(c)) shall have been satisfied in relation to the additional share.

33.3 To give effect to a sale pursuant to Articles 33.1 or 33.2, the board may authorise a person to transfer the share in the name and on behalf of the holder of, or the person entitled by transmission to, the share, or to cause the transfer of such share, to the purchaser or his nominee and such transfer shall be effective as if it had been carried out by the registered member, and in relation to an uncertificated share may require the Operator to convert the share into certificated form in accordance with the Uncertificated Securities Regulations. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by any irregularity or invalidity in the proceedings connected with the sale of the share.

#### 34. APPLICATION OF PROCEEDS OF SALE

The Company shall be indebted to the member or other person entitled by transmission to the share for the net proceeds of sale and shall carry any amount received on sale to a separate account. The Company is deemed to be a debtor and not a trustee in respect of that amount for the member or other person. Any amount carried to the separate account may either be employed in the business of the Company or invested as the board may think fit. No interest is payable on that amount and the Company is not required to account for money earned on it.

## **FRACTIONS AND VARIATION OF RIGHTS**

### **35. FRACTIONS**

- 35.1 If, as the result of consolidation and division or sub-division of shares, members would become entitled to fractions of a share, the board may on behalf of the members deal with the fractions as it thinks fit. Subject to the provisions of the Acts, the board may, in effecting divisions and/or consolidations, treat a member's shares held in certificated form and uncertificated form as separate holdings. In particular, the board may:
- (a) sell any shares representing fractions to a person (including, subject to the provisions of the Acts, to the Company) and distribute the net proceeds of sale in due proportion amongst the persons entitled or, if the board so decides, some or all of the sum raised on a sale may be retained for the benefit of the Company; or
  - (b) subject to the provisions of the Acts, allot or issue to a member credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding of shares to a number which, following consolidation and division or sub-division, leaves a whole number of shares (such allotment or issue being deemed to have been effected immediately before consolidation or sub-division, as the case may be).
- 35.2 To give effect to a sale pursuant to Article 35.1(a) the board may arrange for the shares representing the fractions to be entered in the register as certificated shares. The board may also authorise a person to execute a transfer of the shares sold on behalf of the members so entitled, or, in respect of uncertificated shares, nominate any person to transfer such shares in accordance with the facilities and requirements of the relevant system concerned or, in either case, in accordance with the directions of the purchaser thereof or any other person nominated by the purchaser and may cause the name of the purchaser or his nominee to be entered in the register as the holder of the shares comprised in any such transfer. The purchaser is not bound to see to the application of the purchase money and the title of the transferee to the shares is not affected by an irregularity or invalidity in the proceedings connected with the sale.
- 35.3 If shares are allotted or issued pursuant to Article 35.1(b), the amount required to pay up those shares may be capitalised as the board thinks fit out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and applied in paying up in full the appropriate number of shares. A resolution of the board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to Article 130. In relation to the capitalisation the board may exercise all the powers conferred on it by Article 130 without an ordinary resolution of the Company.

### **36. VARIATION OF RIGHTS**

- 36.1 Subject to the provisions of the Acts, the rights attached to a class of shares may be varied or abrogated (whether or not the Company is being wound up) either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class (excluding any share of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class validly held in accordance with Article 65 and other relevant provisions of the Articles.
- 36.2 The rights attached to a class of shares are not, unless otherwise expressly provided for in the rights attaching to those shares, deemed to be varied by the creation, allotment or issue of further shares ranking *pari passu* with or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Acts.

## **GENERAL MEETINGS**

### **37. ANNUAL GENERAL MEETINGS**

The Company shall hold annual general meetings in accordance with the requirements of the Acts.

### **38. PHYSICAL MEETINGS AND COMBINED PHYSICAL AND ELECTRONIC MEETINGS**

38.1 Without prejudice to Article 52, the board may resolve to hold any general meeting as:

- (a) a physical meeting - at which the only means by which a member may attend is to do so at a physical location (or, if Article 52 applies, multiple physical locations); or
- (b) a combined physical and electronic meeting - at which members have the option to attend the same meeting either at a physical location (or if Article 52 applies, multiple physical locations) or electronically.

38.2 In each case, the members (or their proxies) present at any place of the meeting and, in the case of combined physical and electronic meetings only, members (or their proxies) who are attending electronically, shall be counted in the quorum for, and be entitled to vote at, the meeting in question.

38.3 All persons seeking to attend and/or participate in a combined physical and electronic meeting electronically shall be responsible for maintaining adequate facilities to enable them to do so. Subject only to the requirement for the chairman of the meeting to adjourn the meeting in accordance with Article 48.3, any inability of a person (or persons) to attend and/or participate in a combined physical and electronic meeting electronically shall not invalidate the proceedings of that meeting, or any business transacted at it.

### **39. CONVENING OF GENERAL MEETINGS**

The board may convene a general meeting whenever it thinks fit and shall determine whether it shall be held as a physical meeting or a combined physical and electronic meeting. The board must convene a general meeting on receipt of a requisition from members in accordance with the provisions of the Acts and, in default, a meeting may be convened by requisitionists as provided in the Acts. At a meeting convened on a requisition or by requisitionists, no business may be transacted except that stated by the requisition or proposed by the board. A general meeting may also be convened in accordance with Article 91.

### **40. LENGTH AND FORM OF NOTICE**

40.1 Subject to the provisions of the Acts, an annual general meeting shall be called by not less than 21 clear days' notice and all other general meetings shall be called by not less than 14 clear days' notice.

40.2 Subject to the provisions of the Acts, and although called by shorter notice than that specified in Article 40.1, a meeting is deemed to have been duly called 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 a general meeting (other than an annual general meeting), by a majority in number of the members having a right to attend and vote at the meeting, being a majority who together hold not less than 95 per cent. in nominal value of the shares giving that right.

40.3 The notice of meeting (including any notice given by means of a website) shall:

- (a) if it is a notice calling an annual general meeting, state that the meeting is an annual general meeting and (where applicable) include the statements required by section 337(3) of CA 2006;

- (b) specify if the meeting shall be a physical meeting, or a combined physical and electronic meeting and, in each case, must provide members with sufficient information regarding the means by which members or their proxies are able to attend the meeting including:
  - (i) for physical meetings by specifying the time, the date and the place of the physical location at which the meeting shall be held (including any satellite meeting place arranged for the purpose of Article 52, which shall be identified as such in the notice of meeting); or
  - (ii) for combined physical and electronic meetings, by specifying the time, the date and:
    - (A) the place of the physical location at which the meeting shall be held (including any satellite meeting place arranged for the purpose of Article 52, which shall be identified as such in the notice of meeting); and
    - (B) the electronic platform of the meeting and the means by which members are able to access the same;
- (c) specify the general nature of the business to be dealt with at the meeting;
- (d) if the meeting is convened to consider a special resolution, include the full text of the resolution and specify the intention to propose the resolution as a special resolution;
- (e) include the statements required by section 311(3) of CA 2006 (so far as applicable to the Company);
- (f) state, with reasonable prominence, that a member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting and to appoint more than one proxy in relation to the meeting (provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him), and that a proxy need not also be a member; and
- (g) for such time as the Company has Proportional Voting Shares (as defined in Article 56), include a description of the poll procedure set out in Article 56.1.

- 40.4 The notice of meeting shall be given to the members (other than any who, under the provisions of the Articles or the terms of allotment or issue of shares, are not entitled to receive notice), to the directors and to the auditors.
- 40.5 The board may determine that persons entitled to receive notices of meeting are those persons entered on the register at the close of business on a day determined by the board, provided that, if the Company is a participating issuer, the day determined by the board may not be more than 21 days before the day that the relevant notice of meeting is being given.
- 40.6 The notice of meeting must also specify a time (which shall not be more than 48 hours before the time for the holding of the meeting) by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote. In calculating the period referred to in this Article 40.6 no account shall be taken of any part of a day that is not a working day.
- 40.7 The notice of meeting shall, where applicable, include details of any arrangements made for the purpose of attending a combined physical and electronic meeting via electronic means, or attending a satellite meeting in accordance with Article 52, making it clear that participation in those arrangements will amount to attendance at the meeting to which the notice relates. Participation in such arrangements may be made subject only to such requirements and restrictions as are necessary to

ensure the identification of those taking part and the security of any electronic communication and as are proportionate to the achievement of those objectives.

- 40.8 Where the Company has given an electronic address in any notice of meeting, any document or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting.

#### **41. OMISSION TO SEND NOTICE**

Subject to the provisions of the Acts, the accidental omission to give notice of a meeting or any resolution intended to be moved at a meeting or any document relating to a meeting, or the non-receipt of any such notice, resolution or document by a person entitled to receive any such notice, resolution or document, shall not invalidate the proceedings at that meeting.

#### **42. POSTPONEMENT OF GENERAL MEETINGS**

If the board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting:

- (a) on the date or at the time, specified in the notice of meeting;
- (b) in the case of a physical meeting, or a combined physical and electronic meeting, at the physical location specified in the notice of meeting; or
- (c) in the case of a combined physical and electronic meeting, on the electronic platform specified in the notice of meeting,

it may move and/or postpone the general meeting to another time, physical location and/or, for a combined physical and electronic general meeting only, electronic platform. When a general meeting is so moved and/or postponed, notice of the time, physical location and/or electronic platform of the moved and/or postponed meeting shall (if practical) be placed in at least two national newspapers in the United Kingdom or in such other manner as the board may in its absolute discretion decide. Notice of the business to be transacted at such moved and/or postponed general meeting is not required. The board must take reasonable steps to ensure that members trying to attend the general meeting at the original time, physical location and (if applicable) electronic platform are informed of the new arrangements for the general meeting. Proxy forms can be delivered as specified in Article 59 until 48 hours before the rearranged meeting. Any moved and (if applicable) postponed meeting may also be further moved and/or postponed under this Article.

#### **43. SPECIAL BUSINESS**

All business transacted at a general meeting is deemed special except the following business transacted at an annual general meeting:

- (a) the receipt and consideration of the annual accounts, the strategic report, the directors' report, the directors' remuneration report and the auditors' report on those accounts, the directors' report and the auditable part of the directors' remuneration report;
- (b) the approval of the directors' remuneration report;
- (c) the declaration of dividends;
- (d) the appointment or reappointment of directors and other officers in place of those retiring by rotation or otherwise ceasing to hold office; and
- (e) the appointment or reappointment of the auditors (when special notice of the resolution for appointment is not required by the provisions of the Acts) and determining or authorising the manner of determining the remuneration of the auditors.



## **PROCEEDINGS AT GENERAL MEETINGS**

### **44. QUORUM**

- 44.1 No business may be transacted at a general meeting unless a quorum is present. The absence of a quorum does not prevent the appointment of a chairman of the meeting in accordance with the Articles, which shall not be treated as part of the business of the meeting.
- 44.2 The quorum for a general meeting is two members present in person or by proxy and entitled to vote.
- 44.3 A person is present at a general meeting if, in accordance with the provisions of these Articles, he is present at the physical location (or one of the locations), or, in the case of a combined physical and electronic meeting, he attends electronically.

### **45. PROCEDURE IF QUORUM NOT PRESENT**

- 45.1 If a quorum is not present within fifteen minutes (or such longer time not exceeding 45 minutes as the chairman decides to wait) after the time fixed for the start of the meeting or if there is no longer a quorum present at any time during the meeting, the meeting, if convened by or on the requisition of members, is dissolved. In any other case, the meeting stands adjourned to such other day (being not less than 10 days later) and at such other time, physical location and/or on such electronic platform as the chairman (or, if he is not willing or able, the board) decides. If at the adjourned meeting a quorum is not present within 15 minutes after the time fixed for the start of the meeting, the meeting is dissolved.
- 45.2 The Company shall give not less than 10 clear days' notice of any meeting adjourned for the lack of a quorum and the notice shall state the quorum requirement. No business may be dealt with at any meeting adjourned for the lack of a quorum the general nature of which was not stated in the notice convening the original meeting.

### **46. CHAIRMAN**

- 46.1 The chairman (if any) of the board or, in his absence, the deputy chairman (if any) shall preside as chairman at a general meeting. If there is no chairman or deputy chairman, or if at a meeting neither is present and willing and able to act within five minutes after the time fixed for the start of the meeting or neither is willing and able to act, the directors present shall select one of their number to be chairman. If only one director is present and willing and able to act, he shall be chairman. In default, the members present in person or by proxy and entitled to vote shall choose one of their number to be chairman.
- 46.2 Without prejudice to any other power which he may have under the provisions of the Articles or at common law, the chairman may take such action as he thinks fit to promote the orderly conduct of the business of the meeting as specified in the notice of meeting and the chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final, as shall be his determination as to whether any matter is of such a nature.

### **47. RIGHT TO ATTEND, SPEAK AND VOTE**

- 47.1 Two or more persons who may not be in the same place as each other attend a general meeting if their circumstances are such that, if they have rights to speak and vote at that meeting, they are able to exercise them.
- 47.2 A person is able to participate in a meeting if his circumstances are such that, if he has rights in relation to the meeting, he is able to exercise them.
- 47.3 In determining whether persons are attending or participating in a combined physical and electronic meeting, it is immaterial where any of them are, or how they are able to communicate with each other.

- 47.4 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting. For the purposes of these Articles, it shall be sufficient if persons attending combined physical and electronic meeting electronically and wishing to speak and be heard are only able to do so once a moderator has taken an active step (such as unmuting that person's line or activating that person's feed).
- 47.5 Each director shall be entitled to attend and speak at a general meeting and at a separate meeting of the holders of a class of shares or debentures whether or not he is a member.
- 47.6 The chairman may invite any person to attend and speak at any general meeting of the Company where he considers that this will assist in the deliberations of the meeting.
- 47.7 A person is able to exercise the right to vote at a general meeting when:
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

#### **48. POWER TO ADJOURN**

- 48.1 The chairman may at a meeting at which a quorum is present adjourn a meeting from time to time and from place to place or for an indefinite period.
- 48.2 Without prejudice to any other power which he may have under the provisions of the Articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he decides that it has become necessary to do so in order to:
- (a) secure the proper and orderly conduct of the meeting;
  - (b) give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting; or
  - (c) ensure that the business of the meeting is properly disposed of.
- 48.3 The chairman of the meeting shall, without the consent of the meeting (whether or not the meeting has commenced or a quorum is present), interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period at any time if, in his opinion, the facilities of the meeting (whether electronic or otherwise, and whether affecting the physical location (or locations), or any electronic platform (if applicable)) of the meeting, are not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the notice of meeting.
- 48.4 Nothing in this Article 48 shall limit any other power vested in the chairman of the meeting to adjourn the meeting.
- 48.5 The chairman of the meeting may, if in his opinion it is appropriate to do so, specify that only business conducted at the meeting up to a point in time which is earlier than the time of adjournment is valid. Otherwise, all business conducted at a general meeting up to the point of any adjournment shall be valid.
- 48.6 Meetings can be adjourned more than once.
- 48.7 For the purposes of this Article 48 the phrase "**from place to place**" shall mean from physical location to physical location and, in the case of combined physical and electronic general meeting only, includes moving from one electronic platform to another electronic platform.

## **49. NOTICE OF ADJOURNED MEETING**

- 49.1 Whenever a meeting is adjourned for 14 days or more or for an indefinite period pursuant to Article 48, at least seven clear days' notice specifying the physical location and (if applicable) electronic platform, date and time of the adjourned meeting and the general nature of the business to be transacted shall be given to the members (other than any who, under the provisions of the Articles or the terms of allotment or issue of the shares, are not entitled to receive notice), the directors and the auditors. Except in these circumstances, it is not necessary to give notice of a meeting adjourned pursuant to Article 48 or of the business to be transacted at the adjourned meeting. The board may determine that persons entitled to receive notice of an adjourned meeting in accordance with this Article 49 are those persons entered on the register at the close of business on a day determined by the board, provided that, if the Company is a participating issuer, the day determined by the board may not be more than 21 days before the day that the relevant notice of meeting is being sent.
- 49.2 The notice of an adjourned meeting given in accordance with this Article must also specify a time (which shall not be more than 48 hours before the time for the holding of the meeting) by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote. In calculating the period referred to in this Article 49.2 no account shall be taken of any part of a day that is not a working day.

## **50. BUSINESS AT ADJOURNED MEETING**

Subject to Article 45.2 no business may be transacted at an adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

## **51. COMBINED PHYSICAL AND ELECTRONIC MEETINGS**

- 51.1 Without prejudice to Article 52, the board may resolve to hold either a physical meeting or a combined physical and electronic meeting. The members attending (in person or by proxy) electronically at a combined physical and electronic meeting shall be counted in the quorum for, and entitled to vote at, the meeting in question, and that combined physical and electronic meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that facilities (whether electronic or otherwise) are available to enable each person present at the physical location (or locations), or attending or participating in it electronically, to participate in the business for which the meeting has been convened.
- 51.2 If, in the case of a combined physical and electronic meeting, any document is required to be on display or available for inspection at that meeting (whether prior to and/or for the duration of the meeting), the Company shall ensure that it is available by electronic means for persons entitled to inspect it for at least the required period of time. Compliance with this Article 51.2 in relation to a document shall be deemed to satisfy any requirement for that document to be on display or available for inspection in relation to that general meeting.

## **52. SATELLITE MEETINGS**

- 52.1 Without prejudice to Article 51, to facilitate the organisation and administration of any general meeting, the board may decide that the meeting shall be held at two or more physical locations anywhere in the world. The members present in person or by proxy at a satellite meeting shall be counted in the quorum for, and entitled to vote at, the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that facilities (whether electronic or otherwise) are available to enable each person present at the physical location (or locations), or attending or participating electronically (if applicable) to participate in the business for which the meeting has been convened.

52.2 Unless otherwise determined by the chairman of the meeting, a general meeting is deemed to take place where the chairman of the meeting presides (the principal meeting place). Any other physical location where that meeting takes place is referred in these Articles as a satellite meeting.

### **53. SECURITY AND ORDERLY CONDUCT AT PHYSICAL MEETINGS**

The board may make any arrangement and impose any requirement or restriction it considers appropriate to ensure the security of those attending a physical meeting and its orderly conduct, including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of a person attending the physical meeting and the restriction of the items of personal property that may be taken into the physical meeting place. The board may authorise one or more persons, who shall include a director or the secretary or the chairman of the meeting, to:

- (a) refuse entry to a meeting to a person who refuses to comply with these arrangements or restrictions; and
- (b) eject from a meeting any person who causes the proceedings to become disorderly.

### **54. SECURITY AND ORDERLY CONDUCT OF COMBINED PHYSICAL AND ELECTRONIC MEETINGS**

The board may make any arrangement and impose any requirement or restriction it considers appropriate to ensure the security of those attending a combined physical and electronic meeting and its orderly conduct, including, without limitation:

- (a) all of those arrangements and requirements, and authorities of the board as set out in this Article 54 in respect of a physical meeting; and
- (b) doing the following, or instructing the provider of any relevant electronic platform to do the following:
  - (i) employ such password or other electronic protection as is deemed appropriate to ensure the identification of those taking part and the security of the electronic platform. In this respect, the board may authorise any voting application, system or facility for a combined physical and electronic meeting as it sees fit;
  - (ii) refuse entry to the relevant electronic platform to a person who refuses to comply with these arrangements or restrictions;
  - (iii) eject from the electronic platform any person who causes the proceedings to become disorderly; and
  - (iv) authorise one or more persons (who may be employees of the provider of the electronic platform) to act as a moderator and to facilitate the process of the attendees attending via an electronic platform to ask questions of the board, or otherwise speak at the meeting (which, for the avoidance of doubt, may include muting the line or terminating the connection of any member who has become abusive or is otherwise deemed to have caused the proceedings to become disorderly).

## **VOTING**

### **55. METHOD OF VOTING**

55.1 Subject to Article 55.3, at a physical meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is properly demanded by:

- (a) the chairman of the meeting;

- (b) not less than five members having the right to vote on the resolution;
- (c) a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to any shares held as treasury shares); or
- (d) a member or members holding shares conferring a right to vote on the resolution, 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 (excluding any shares conferring a right to vote on the resolution which are held as treasury shares).

A demand by a proxy is deemed to be a demand by the member appointing the proxy.

- 55.2 Unless a poll is duly demanded (and the demand is not subsequently withdrawn), a declaration by the chairman that the resolution has been carried, or carried by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minutes of the meeting, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 55.3 For so long as the Company has Proportional Voting Shares (as defined in Article 56). All resolutions at a physical meeting shall be voted on a poll taken in accordance with Article 56.1.
- 55.4 All resolutions put to members at a combined physical and electronic meeting shall be voted on by a poll taken in accordance with the provisions of Article 56, and any such poll will be deemed to have been validly demanded at the time fixed for holding the meeting to which it relates. Subject to Article 56.1, any demand for a poll which is deemed to have been made in accordance with this Article 55.4 may not be withdrawn.

## **56. PROCEDURE ON A POLL**

- 56.1 For such time as the Company has Proportional Voting Shares, and except in the case of an Excluded Resolution, the following poll provisions shall apply:
- (a) subject to Articles 56.1(b) to 56.1(d) below, the poll shall be taken in such manner as the chairman directs. He may appoint scrutineers, who need not be members;
  - (b) at any general meeting, on a resolution proposed to that general meeting all shareholders who are not holder(s) of the Proportional Voting Shares will be entitled to vote (the "**First Poll**");
  - (c) following the closing of a First Poll, the poll will as soon as possible thereafter reopen for the sole purpose of enabling the Proportional Voting Shares to be voted. The holder(s) of the Proportional Voting Shares shall vote all of the Proportional Voting Shares held by them proportionally to the votes cast on the First Poll (calculated to two decimal places) (the "**Second Poll**"); and
  - (d) the result of the poll, reflecting the combined result of the First Poll and the Second Poll, shall be deemed to be the resolution of the meeting and the secretary may fix a time, place and manner (including electronically) for declaring the result of a poll.
- 56.2 Articles 56.3 to 56.9 (inclusive) shall at all times be subject to Article 56.1 and, to the extent inconsistent with Article 56.1, shall not apply whilst the Company has Proportional Voting Shares.
- 56.3 If a poll is duly demanded, it shall be taken in such manner as the chairman directs. He may appoint scrutineers, who need not be members, and may fix a time, place and manner (including electronically) for declaring the result of a poll.
- 56.4 The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

- 56.5 A poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting and without adjournment. A poll demanded on another question shall be taken at such time and place as the chairman decides, either at once or after an interval or adjournment (but not more than 30 clear days after the date of the demand).
- 56.6 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 shall be taken.
- 56.7 The demand for a poll may be withdrawn but only with the consent of the chairman. A demand withdrawn in this way validates the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 56.8 The demand for a poll (other than on the election of a chairman or on a question of adjournment) does not prevent the meeting continuing for the transaction of business other than the question on which a poll has been demanded.
- 56.9 On a poll a member (other than holder(s) of Proportional Voting Shares) 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.
- 56.10 For the purposes of this Article 56 the following definitions shall apply:
- (a) "**Acting in Concert**" shall have the meaning ascribed to it in the Takeover Code as applied by the Takeover Panel;
  - (b) "**Excluded Resolution**" means any resolution proposed at a general meeting, where any holder(s) of the Proportional Voting Shares would be prohibited from voting on that resolution pursuant to applicable law or regulation;
  - (c) "**Proportional Voting Shares**" means ordinary shares of the Company held by Georgia Capital PLC (directly or indirectly) and any person with whom it is Acting in Concert, for such time(s) as in aggregate they hold shares carrying 9.99% or more of the voting rights exercisable at general meetings of the Company;
  - (d) "**Takeover Code**" means the City Code on Takeovers and Mergers; and
  - (e) "**Takeover Panel**" means the Panel on Takeovers and Mergers.
- 56.11 For such time as the Company has Proportional Voting Shares, Georgia Capital PLC and any person Acting in Concert with it must notify the Company in writing if any of them acquire or dispose of any of the shares they hold in the Company within one business day of such acquisition or disposal, setting out the number of shares which were acquired or disposed of and the resulting aggregate number shares in the Company held by Georgia Capital PLC and any person Acting in Concert with it after such acquisition or disposal.

## 57. VOTES OF MEMBERS

- 57.1 Subject to any rights or restrictions as to voting attached to any class of shares by or in accordance with the Articles and subject to Articles 56.1 and 62, at a general meeting:
- (a) on a vote on a resolution on a show of hands:
    - (i) every member who is present in person has one vote;
    - (ii) subject to Article 57.1(a)(iii), every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote;

(iii) every proxy present who has been duly appointed by more than one member entitled to vote on the resolution and who has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it has one vote for and one vote against the resolution;

(b) on a vote on a resolution on a poll, every member (whether present in person or by proxy) has one vote for every share of which he is the holder.

57.2 In the case of joint holders of a share, the vote of the most senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote or votes of the other joint holder or holders, and seniority is determined by the order in which the names of the holders stand in the register.

57.3 A member in respect of whom an order has been made by a court or official having jurisdiction (whether in the United Kingdom or elsewhere) that he is or may be suffering from mental disorder or is otherwise incapable of running his affairs may vote, whether on a show of hands or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the court. A guardian, receiver, curator bonis or other authorised and appointed person may, on a poll, vote by proxy if evidence (to the satisfaction of the board) of the authority of the person claiming to exercise the right to vote is received at the office (or at another place specified in accordance with the Articles for the delivery or receipt of forms of appointment of a proxy) or in any other manner specified in the Articles for the appointment of a proxy within the time limits prescribed by the Articles for the appointment of a proxy for use at the meeting, adjourned meeting or poll at which the right to vote is to be exercised.

## **58. RESTRICTION ON VOTING RIGHTS FOR UNPAID CALLS ETC.**

Unless the board otherwise decides, no member is entitled in respect of a share held by him to be present or to vote, either in person or by proxy, at a general meeting or at a separate meeting of the holders of a class of shares or on a poll, or to exercise other rights conferred by membership in relation to the meeting or poll, if a call or other amount due and payable in respect of the share is unpaid. This restriction ceases on payment of the amount outstanding and all costs, charges and expenses incurred by the Company by reason of the non-payment.

## **59. VOTING BY PROXY**

59.1 A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. The appointment of a proxy to vote on a matter at a meeting authorises the proxy to demand or join in demanding a poll on that matter.

59.2 A proxy need not be a member.

59.3 Subject to Article 59.4, an instrument appointing a proxy shall be in hard copy in any usual form (or in another form approved by the board) executed under the hand of the appointor or his duly constituted attorney or, if the appointor is a corporation, under its seal or under the hand of its duly authorised officer or attorney or other person authorised to sign.

59.4 The Company shall provide (in the manner required by the Acts) an electronic address for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy and notice of the termination of the authority of a proxy). The Company shall be deemed to have agreed that any such document or information may be sent by electronic means to that address (subject to any conditions or limitations specified by the Company when providing the address).

- 59.5 A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. References in the Articles to an appointment of proxy include references to an appointment of multiple proxies.
- 59.6 Where two or more valid but conflicting appointments of proxy are delivered or received for the same share or shares for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share or those shares. 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 or those shares.
- 59.7 Delivery or receipt of an appointment of proxy does not prevent a member attending and voting in person at the meeting or an adjournment of the meeting.
- 59.8 The appointment of a proxy shall (unless the contrary is stated in it) be valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates.
- 59.9 Subject to the provisions of the Acts and the requirements of the Listing Rules, the board may at the expense of the Company send or make available appointments of proxy or invitations to appoint a proxy to the members by post or by electronic means or otherwise (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the directors or any other person. If for the purpose of any meeting appointments of proxy or invitations to appoint as proxy a person or one of a number of persons specified in the invitation are issued at the Company's expense, they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote at it. The accidental omission or the failure, due to circumstances beyond the Company's control, to send or make available such an appointment of proxy or give such an invitation to, or the non receipt thereof by, any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.

## **60. APPOINTMENT OF PROXY**

- 60.1 An appointment of proxy, and (if required by the board) a power of attorney or other authority under which it is executed or a copy of it notarially certified or certified in some other way approved by the board, shall:
- (a) in the case of an appointment of proxy in hard copy form, be received at the office, or another place in the United Kingdom specified in the notice convening the meeting or in any appointment of proxy or any invitation to appoint a proxy sent out or made available by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment of proxy proposes to vote;
  - (b) in the case of an appointment of proxy in electronic form, be received at the electronic address specified in the notice convening the meeting or in any appointment of proxy or any invitation to appoint a proxy sent out or made available by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment of proxy proposes to vote;
  - (c) in the case of a poll taken more than 48 hours after it was demanded, be received as aforesaid after the poll has been demanded and not less than 24 hours (or such shorter time as the board may determine) before the time appointed for the taking of the poll; or
  - (d) in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director.



An appointment of proxy not received or delivered in accordance with this Article is invalid.

The board may at its discretion determine that, in calculating the periods mentioned in this Article 60.1, no account shall be taken of any part of any day that is not a working day.

- 60.2 Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the board may from time to time permit appointments of proxy to be made by electronic means 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 board may, in addition, prescribe the method of determining the time at which any such uncertificated proxy instruction (and/or other instruction or notification) is to be treated as received by the Company or a participant acting on its behalf. The board 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.

#### **61. WHEN VOTES BY PROXY VALID ALTHOUGH AUTHORITY TERMINATED**

A vote cast or poll demanded by a proxy is valid despite the previous termination of the authority of a person to act as a proxy unless notice of such termination shall have been received by the Company at the office, or at such other place or address at which an appointment of proxy may be duly received or delivered, not later than the time at which an appointment of proxy should have been received or delivered in order for it to be valid for use at the meeting or adjourned meeting at which the vote is cast or the poll demanded or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for use in relation to the poll at which the vote is cast.

#### **62. CORPORATE REPRESENTATIVES**

- 62.1 A corporation which is a member may, by resolution of its directors or other governing body, authorise a person or persons to act as its representative or representatives at any meeting of the Company, or at any separate meeting of the holders of any class of shares (a "**representative**").

- 62.2 Subject to Article 62.3, a representative is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company.

- 62.3 Where a corporation authorises more than one representative:

- (a) on a vote on a resolution on a show of hands at a general meeting, each representative has the same voting rights as the corporate would be entitled to; and
- (b) if article 62.3(a) does not apply and more than one representative purports to exercise a power under Article 62.2 in respect of the same shares:
  - (i) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way;
  - (ii) if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.

- 62.4 A director, the secretary or other person authorised for the purpose by the secretary may require a representative to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers.

#### **63. OBJECTIONS TO AND ERROR IN VOTING**

No objection may be made to the qualification of any person voting at a general meeting or to the counting of, or failure to count, any vote, except at the meeting or adjourned meeting at which the vote objected to is tendered 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. An objection properly made shall be referred to the chairman whose decision on such matter shall be final and conclusive.

#### **64. AMENDMENTS TO RESOLUTIONS**

No amendment to a resolution duly proposed as a special resolution (other than an amendment to correct a patent error) may be considered or voted on. No amendment to a resolution duly proposed as an ordinary resolution (other than an amendment to correct a patent error) may be considered or voted on unless either:

- (a) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and intention to move that amendment at the meeting has been lodged at the office; or
- (b) the chairman in his absolute discretion decides that the amendment may be considered or voted on.

If an amendment proposed to a resolution under consideration is ruled out of order by the chairman the proceedings on the substantive resolution are not invalidated by an error in his ruling.

#### **65. CLASS MEETINGS**

Subject to the provisions of the Acts, a separate meeting of the holders of a class of shares shall be convened and conducted as nearly as possible in the same way as a general meeting, except that:

- (a) no member is entitled to notice of it or to attend unless he is a holder of shares of that class;
- (b) no vote may be cast except in respect of a share of that class;
- (c) the quorum at the meeting is two persons present at the meeting holding at least one-third in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares);
- (d) the quorum at an adjourned meeting is one person present at the meeting holding shares of the class in question; and
- (e) a poll may be demanded in writing by any holder of shares of the class in question present at the meeting and on a poll each member has one vote for every share of that class of which he is the holder.

#### **66. FAILURE TO DISCLOSE INTERESTS IN SHARES**

66.1 Where notice is served by the Company under section 793 of CA 2006 (a "**section 793 notice**") on a member, or another person appearing to be interested in shares held by that member, and the member or other person has failed in relation to any shares (the "**default shares**", which expression includes any shares allotted or issued after the date of the section 793 notice in respect of those shares) to give the Company the information required within the prescribed period from the date of service of the section 793 notice, the following sanctions apply, unless the board otherwise decides:

- (a) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll; and
- (b) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class (excluding any share of their class held as treasury shares):

- (i) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the member shall not be entitled to elect, pursuant to Article 129, to receive shares instead of a dividend; and
- (ii) no transfer of any certificated default shares shall be registered unless the transfer is an excepted transfer or:
  - (A) the member is not himself in default in supplying the information required; and
  - (B) the member proves to the satisfaction of the board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.

66.2 For the purpose of enforcing the sanction in Article 66.1(b)(ii), the board may give notice to the member requiring the member to convert default shares held in uncertificated form to certificated form by the time stated in the notice. The notice may also state that the member may not convert any default shares held in certificated form to uncertificated form. If the member does not comply with the notice, the board may require the Operator to convert default shares held in uncertificated form into certificated form in the name and on behalf of the member in accordance with the Uncertificated Securities Regulations.

66.3 The sanctions under Article 66.1 cease to apply seven days after the earlier of:

- (a) receipt by the Company of notice of an excepted transfer, but only in relation to the shares thereby transferred; and
- (b) receipt by the Company, in a form satisfactory to the board, of all the information required by the section 793 notice.

66.4 Where, on the basis of information obtained from a member in respect of a share held by him, the Company issues a section 793 notice to another person, it shall at the same time send a copy of the section 793 notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, does not invalidate or otherwise affect the application of Articles 66.1 or 66.2.

66.5 For the purposes of this Article 66:

- (a) a person, other than the member holding a share, shall be treated as appearing to be interested in that share if the member has informed the Company that the person is or may be interested, or if the Company (after taking account of information obtained from the member or, pursuant to a section 793 notice, from anyone else) knows or has reasonable cause to believe that the person is or may be so interested;
- (b) "**interested**" shall be construed as it is for the purpose of section 793 of CA 2006;
- (c) reference to a person having failed to give the Company the information required by a section 793 notice, or being in default in supplying such information, includes (a) reference to his having failed or refused to give all or any part of it, and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
- (d) the "**prescribed period**" means 14 days;
- (e) an "**excepted transfer**" means, in relation to shares held by a member:
  - (i) a transfer pursuant to acceptance of a takeover offer for the Company (within the meaning of Chapter 3 of Part 28 of CA 2006); or

- (ii) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or another stock exchange outside the United Kingdom on which shares in the capital of the Company 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.

66.6 The provisions of this Article are in addition and without prejudice to the provisions of the Acts.

## **APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

### **67. NUMBER OF DIRECTORS**

Unless and until otherwise decided by the Company by ordinary resolution, the number of directors must not be less than two and must not be more than 15.

### **68. POWER OF THE COMPANY TO APPOINT DIRECTORS**

Subject to the Articles and the Acts, 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 board, but the total number of directors may not exceed any maximum number fixed in accordance with the Articles.

### **69. POWER OF THE BOARD TO APPOINT DIRECTORS**

Without prejudice to the power of the Company to appoint a person to be a director pursuant to the Articles, the board may appoint a person who is willing to act as a director, either to fill a vacancy or as an addition to the board, but the total number of directors may not exceed any maximum number fixed in accordance with the Articles. A director appointed in this way may hold office only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during that meeting. He is not required, and is not taken into account in determining the number of directors who are, to retire by rotation at the meeting.

### **70. APPOINTMENT OF EXECUTIVE DIRECTORS AND CHAIRMAN**

70.1 Subject to the provisions of the Acts, the board may appoint one or more of its body to hold an executive office with the Company for such term and on such other terms and conditions as the board thinks fit. Subject to the provisions of the Acts, the board may also appoint one of its body to hold the position of chairman of the Company for such term and on such other terms and conditions as the board thinks fit. The board may revoke or terminate an appointment at any time, without prejudice to a claim for damages for breach of the contract of service between the director and the Company or otherwise. A director appointed to an executive office, or as chairman, shall not cease to be a director merely because his appointment to such executive office, or as chairman (as applicable), terminates. A director appointed to an executive office, or as chairman, shall cease to hold that office if he ceases to be a director, but without prejudice to any claim for damages for breach of the contract of service between the director and the Company or otherwise.

70.2 Subject to the provisions of the Acts, the board may enter into an agreement or arrangement with any director for the provision of any services outside the scope of the ordinary duties of a director. Any such agreement or arrangement may be made on such terms and conditions as the board thinks fit and (without prejudice to any other provision of the Articles) it may remunerate any such director for such services as it thinks fit.

## **71. ELIGIBILITY OF NEW DIRECTORS**

71.1 No person other than a director retiring (by rotation or otherwise) may be appointed or reappointed a director at a general meeting unless:

- (a) he is recommended by the board; or
- (b) not less than seven nor more than 42 days before the date fixed for the meeting, notice has been given to the Company by a member (other than the person to be proposed) qualified to vote at the meeting of the intention to propose that person for appointment or reappointment. The notice shall:
  - (i) state the particulars which would, if the proposed director were appointed or reappointed, be required to be included in the Company's register of directors;
  - (ii) be accompanied by notice given by the proposed director of his willingness to be appointed or reappointed; and
  - (iii) be lodged at the office.

71.2 A director is not required to hold any shares in the capital of the Company.

## **72. VOTING ON RESOLUTION FOR APPOINTMENT**

At a general meeting a motion for the appointment of two or more persons as directors by a single resolution shall not be made unless an ordinary resolution that it should be so made has first been agreed to by the meeting without any vote being given against it, and for the purposes of this Article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment. A resolution moved in contravention of this Article is void (whether or not its being so moved was objected to at the time).

## **73. RETIREMENT OF DIRECTORS BY ROTATION**

73.1 Subject to Article 73.2, at each annual general meeting not less than one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not less than one-third, shall retire from office provided that if there are fewer than three directors who are subject to retirement by rotation, not less than one shall retire from office.

73.2 If any one or more directors:

- (a) were last appointed or reappointed three years or more prior to the meeting;
- (b) were last appointed or reappointed at the third immediately preceding annual general meeting; or
- (c) at the time of the meeting will have served more than eight years as a non-executive director of the Company (excluding as the chairman of the board),

he or they shall retire from office and shall be counted in obtaining the number of directors required to retire at the meeting, provided that the number of directors required to retire under Article 73.1 shall be increased to the extent necessary to comply with this Article 73.2.

## **74. DIRECTORS SUBJECT TO RETIREMENT**

Subject to the provisions of the Acts and the Articles, the directors to retire by rotation at an annual general meeting include, so far as necessary to obtain the number required, first, a director who wishes to retire and not offer himself for reappointment, and, second, those directors who have been longest in office since their last appointment or reappointment. As between two or more 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 on the basis of the composition of the board at the start of business on the date of the notice convening the annual general meeting, disregarding a change in the number or identity of the directors after that time but before the close of the meeting.

**75. POSITION OF RETIRING DIRECTOR**

A director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to act, be reappointed. If he is not reappointed or deemed reappointed, he may retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

**76. DEEMED REAPPOINTMENT**

At an annual 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 reappointed unless it is expressly resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.

**77. REMOVAL OF A DIRECTOR BY ORDINARY RESOLUTION**

In addition to any power of removal conferred by the provisions of the Acts, the Company may by ordinary resolution remove a director before the expiry of his period of office (without prejudice to a claim for damages for breach of contract or otherwise) and may (subject to the Articles) by ordinary resolution appoint another person who is willing to act to be a director in his place. A person appointed in this way is treated, for the purposes of determining the time at which he or another director is to retire, as if he had become a director on the date on which the person in whose place he is appointed was last appointed or reappointed a director.

**78. VACATION OF OFFICE BY DIRECTOR**

78.1 Without prejudice to the provisions for retirement (by rotation or otherwise) contained in the Articles, the office of a director is vacated if:

- (a) he resigns by notice delivered to the secretary at the office or tendered at a board meeting;
- (b) where he has been appointed for a fixed term, the term expires;
- (c) he ceases to be a director by virtue of a provision of the Acts, is removed from office pursuant to the Articles or becomes prohibited by law from being a director;
- (d) he becomes bankrupt or compounds with his creditors generally or he applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that statute;
- (e) he is or has been suffering from mental ill health or becomes a patient for the purpose of any statute relating to mental health or any court claiming jurisdiction on the ground of mental disorder (however stated) makes an order for his detention or for the appointment of a guardian, receiver or other person (howsoever designated) to exercise powers with respect to his property or affairs, and in any such case the board resolves that his office be vacated;
- (f) both he and his alternate director appointed pursuant to the provisions of the Articles (if any) are absent, without the permission of the board, from board meetings for six consecutive months and the board resolves that his office be vacated; or
- (g) he is removed from office by notice addressed to him at his last-known address and signed by 75 per cent. of his co-directors (without prejudice to a claim for damages for breach of contract or otherwise).

- 78.2 A resolution of the board declaring a director to have vacated office under the terms of this Article is conclusive as to the fact and grounds of vacation stated in the resolution.
- 78.3 If the office of a director is vacated for any reason, he shall cease to be a member of any committee of the board.

## **ALTERNATE DIRECTORS**

### **79. APPOINTMENT**

79.1 A director (other than an alternate director) may by notice delivered to the secretary at the office or tabled at a meeting of the board, or in any other manner approved by the board, appoint as his alternate director:

- (a) another director; or
- (b) another person approved by the board and willing to act.

No appointment of an alternate director who is not already a director shall be effective until his consent to act as a director in the form prescribed by the provisions of the Acts has been received at the office or tabled at a meeting of the board.

79.2 An alternate director is not required to hold any shares in the capital of the Company and shall not be counted in reckoning the number of directors for the purpose of Article 67.

### **80. REVOCATION OF APPOINTMENT**

A director may by notice delivered to the secretary at the office or tabled at a meeting of the board revoke the appointment of his alternate director and, subject to the provisions of Article 79, appoint another person in his place. If a director ceases to hold the office of director or if he dies, the appointment of his alternate director automatically ceases. If a director retires but is reappointed or deemed reappointed at the meeting at which his retirement takes effect, a valid appointment of an alternate director which was in force immediately before his retirement continues to operate after his reappointment as if he had not retired. The appointment of an alternate director ceases on the happening of an event which, if he were a director otherwise appointed, would cause him to vacate office.

### **81. PARTICIPATION IN BOARD MEETINGS**

An alternate director shall, if he gives the Company an address in the United Kingdom at which notices may be served on him or an address at which notices may be served on him by electronic means, 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 those meetings of his appointor, to attend and vote at the meetings and to exercise all the powers, rights, duties and authorities of his appointor. A director acting as alternate director has a separate vote at meetings of the board and committees of the board for each director for whom he acts as alternate director but he counts as only one for the purpose of determining whether a quorum is present.

### **82. RESPONSIBILITY**

A person acting as an alternate director shall be an officer of the Company, shall alone be responsible to the Company for his acts and defaults, and shall not be deemed to be the agent of his appointor.

## **REMUNERATION, EXPENSES AND PENSIONS**

### **83. DIRECTORS' FEES**

- 83.1 Unless otherwise decided by the Company by ordinary resolution, the Company shall pay to the directors (but not alternate directors) for their services as directors such amount of aggregate fees as the board decides (not exceeding £750,000 per annum or such larger amount as the Company may by ordinary resolution decide). The aggregate fees shall be divided among the directors in such proportions as the board decides or, if no decision is made, equally. A fee payable to a director pursuant to this Article is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of the Articles or otherwise and accrues from day to day.
- 83.2 Subject to the provisions of the Acts and to the Articles, the board may arrange for part of a fee payable to a director under this Article to be provided in the form of fully-paid shares in the capital of the Company. The amount of the fee payable in this way shall be at the discretion of the board and shall be applied in the purchase or subscription of shares on behalf of the relevant director. In the case of a subscription of shares, the subscription price per share shall be deemed to be the closing middle-market quotation for a fully-paid share of the Company of that class as published in the Daily Official List of the London Stock Exchange (or such other quotation derived from such other source as the board may deem appropriate) on the day of subscription.

### **84. ADDITIONAL REMUNERATION**

A director who, at the request of the board, goes or resides abroad, makes a special journey, acts as a member of a committee of the board or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the board may decide.

### **85. EXPENSES**

- 85.1 A director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director including, without limitation, expenses incurred in attending meetings of the board or of committees of the board or general meetings or separate meetings of the holders of a class of shares or debentures.
- 85.2 Subject to the provisions of the Acts, the Company may also fund a director's expenditure on defending proceedings (including investigations by or action proposed to be taken by any regulatory authority) or in connection with any application under the Acts and may do anything to enable a director to avoid incurring such expenditure.

### **86. REMUNERATION AND EXPENSES OF ALTERNATE DIRECTORS**

An alternate director is not entitled to a fee from the Company for his services as an alternate director. The fee payable to an alternate director is payable out of the fee payable to his appointor and consists of such portion (if any) of the fee as he agrees with his appointor. The Company shall, however, repay to an alternate director expenses incurred by him in the performance of his duties if the Company would have been required to repay the expenses to him under Article 85 had he been a director.

### **87. DIRECTORS' PENSIONS AND OTHER BENEFITS**

- 87.1 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 (by insurance or otherwise) for a person who is or has at any time been a director of:
- (a) the Company;
  - (b) a company which is or was a subsidiary undertaking of the Company;



- (c) a company which is or was allied to or associated with the Company or a subsidiary undertaking of the Company; or
- (d) a predecessor in business of the Company or of a subsidiary undertaking of the Company,

(or, in each case, for any member of his family, including a spouse or former spouse, a civil partner or a former civil partner, or a person who is or was dependent on him). For this purpose the board may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums. The board may arrange for this to be done by the Company alone or in conjunction with another person.

87.2 A director or former director is entitled to receive and retain for his own benefit a pension or other benefit provided under Article 87.1 and is not obliged to account for it to the Company. Anyone receiving a pension or other benefit shall not be disqualified from being or becoming a director of the Company for that reason.

#### **88. REMUNERATION OF EXECUTIVE DIRECTORS**

The salary or other remuneration of a director appointed to hold employment or executive office in accordance with the Articles may be a fixed sum of money, or wholly or in part governed by business done or profits made, or as otherwise decided by the board, and may be in addition to or instead of a fee payable to him for his services as director pursuant to the Articles.

#### **89. INSURANCE**

Subject to the provisions of the Acts, the board may exercise all the powers of the Company to purchase and maintain insurance at the expense of the Company for the benefit of a person who is or was a director, alternate director or secretary of the Company or of any associated company against any liability attaching to him in connection with any negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.

### **POWERS AND DUTIES OF THE BOARD**

#### **90. POWERS OF THE BOARD**

Subject to the provisions of the Acts and the Articles and to directions given by special resolution of the Company, the business and affairs 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 Articles and no direction given by the Company shall invalidate a prior act of the board which would have been valid if the alteration had not been made or the direction had not been given. The provisions of the Articles giving specific powers to the board do not limit the general powers given by this Article.

#### **91. POWERS OF DIRECTORS BEING LESS THAN MINIMUM REQUIRED NUMBER**

If the number of directors is less than the minimum prescribed by the Articles or decided by the Company by ordinary resolution, the remaining director or directors may act only for the purposes of appointing an additional director or directors to make up that minimum or convening a general meeting of the Company for the purpose of making such appointment. If no director or directors is or are able or willing to act, two members may convene a general meeting for the purpose of appointing directors. An additional director appointed in this way holds office (subject to the Articles) only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the meeting.

#### **92. POWERS OF EXECUTIVE DIRECTORS**

The board may delegate to a director holding executive office any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit. In particular, without

limitation, the board may grant the power to sub-delegate, and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the director. The board may at any time revoke the delegation or alter its terms and conditions, but no person acting in good faith shall be affected by the revocation or alteration.

### **93. DELEGATION TO COMMITTEES**

The board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to a committee consisting of one or more directors and, if thought fit, one or more other persons provided that (a) a majority of the members of a committee shall be directors and (b) no resolution of a committee shall be effective unless a majority of those present when it is passed are directors or alternate directors. A committee may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the board or of the committee). The board may retain or exclude its right to exercise the delegated powers, authorities or discretions collaterally with the committee. The board may at any time revoke the delegation or alter any terms and conditions or discharge the committee in whole or in part, but no person acting in good faith shall be affected by the revocation or alteration. Where a provision of the Articles refers to the exercise of a power, authority or discretion by the board (including, without limitation, the power to pay fees, remuneration, additional remuneration, expenses and pensions and other benefits pursuant to Articles 70 or 83 to 89 and that power, authority or discretion has been delegated by the board to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee).

### **94. LOCAL BOARDS**

The board may establish any local or divisional boards or agencies for managing any of the affairs of the Company in any specified locality, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local or divisional board, or any managers or agents, and may fix their remuneration. The board may delegate to any local or divisional board, manager or agent 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, or alter all or any of such powers, but no person acting in good faith shall be affected by the revocation or alteration. Subject to any terms and conditions expressly imposed by the board, the proceedings of any local or divisional board or agency with two or more members shall be governed by such of the Articles as regulate the proceedings of the board, so far as they are capable of applying.

### **95. AGENTS**

The board may by power of attorney or otherwise appoint a person to be the agent of the Company and may delegate to that person any of its powers, authorities and discretions for such purposes, for such time and on such terms and conditions (including as to remuneration) as it thinks fit. In particular, without limitation, the board may grant the power to sub-delegate and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the agent. The board may at any time revoke or alter the terms and conditions of the appointment or delegation.

### **96. ASSOCIATE DIRECTORS**

The board may appoint a person (not being a director) to an office or employment having a designation or title including the word "director" or attach to an existing office or employment that designation or title and may terminate the appointment or use of that designation or title. The inclusion of the word "director" in the designation or title of an office or employment does not imply

that the person is, or is deemed to be, or is empowered to act as, a director for any of the purposes of the Acts or the Articles.

**97. EXERCISE OF VOTING POWERS**

The board may exercise or cause to be exercised the voting powers conferred by shares in the capital of another company held or owned by the Company, or a power of appointment to be exercised by the Company, in any manner it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of a director as an officer or employee of that company or in favour of the payment of remuneration to the officers or employees of that company).

**98. PROVISION FOR EMPLOYEES**

The board may exercise the powers conferred on the Company by the Acts to make provision for the benefit of a person employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or the transfer to a person of the whole or part of the undertaking of the Company or the subsidiary.

**99. REGISTERS**

Subject to the provisions of the Acts, the board may exercise the powers conferred on the Company with regard to the keeping of an overseas, local or other register and may make and vary regulations as it thinks fit concerning the keeping of a register.

**100. BORROWING POWERS**

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

**101. REGISTER OF CHARGES**

The Company shall keep a register of charges in the United Kingdom in accordance with the provisions of the Acts and the fee to be paid by a person other than a creditor or member for each inspection of the register of charges is the maximum sum prescribed by the provisions of the Acts or, failing which, decided by the board.

**102. DIRECTORS' CONFLICTS OF INTEREST OTHER THAN IN RELATION TO TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY**

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

- (a) if the relevant situation arises from the appointment or proposed appointment of a person as a director of the Company, the board may resolve to authorise the appointment of the director and the relevant situation on such terms as it may determine;
- (b) if the relevant situation arises in circumstances other than those in Article 102.1(a), the board may resolve to authorise the relevant situation and the continuing performance by the director of his duties on such terms as it may determine.

102.2 Any authorisation under Article 102.1 shall be effective only if:

- (a) the matter in question shall have been proposed in writing for consideration in accordance with the board's normal procedures or in such other manner as the board may approve;
- (b) any requirement as to the quorum at the meeting of the board at which the matter is considered is met without counting the director in question and any other interested director (together the "**interested directors**"); and
- (c) the matter was agreed to without the interested directors voting or would have been agreed to if the votes of the interested directors had not been counted

and may be terminated by the board at any time.

102.3 Any reference in Article 102.1 to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

102.4 Any terms determined by the board under Article 102.1(a) or Article 102.1(b) may be imposed at the time of the authorisation or may be imposed or varied subsequently and may include (without limitation):

- (a) whether the interested director(s) may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the relevant situation;
- (b) the exclusion of the interested director(s) from all information and discussion by the board or any committee of the board of the relevant situation; and
- (c) (without prejudice to the general obligations of confidentiality) the application to the interested director(s) of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the relevant situation.

102.5 A director must act in accordance with any terms determined by the board under Article 102.1(a) or Article 102.1(b).

102.6 Except as specified in Article 102.2, any proposal made to the board and any authorisation by the board in relation to a relevant situation shall be dealt with in the same way as any other matter that may be proposed to and resolved upon by the board in accordance with the provisions of the Articles.

102.7 If a relevant situation has been authorised by the board under Article 102.1 then (subject, in any case, to any terms determined by the board under Article 102.1(a) or Article 102.1(b)):

- (a) where the director obtains (other than through his position as a director of the Company) information relating to that relevant situation which is confidential to a third party, he will not be obliged to disclose it to the board or to any director or other officer or employee of the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence;
- (b) the director may absent himself from meetings of the board or any committee of the board at which anything relating to that relevant situation will or may be discussed; and
- (c) the director may make such arrangements as he thinks fit for board and committee papers to be received and read by a professional adviser on his behalf

and the general duties which any director owes to the Company under CA 2006 will not be infringed by anything done (or omitted to be done) in accordance with the provisions of this Article 102.7.

102.8 A director shall not be liable to account to the Company for any profit, remuneration or other benefit which he (or any person connected with him within the meaning of section 252 of CA 2006) may derive from any relevant situation authorised under Article 102.1 (subject, in any case, to any terms determined by the board in connection with such authorisation) and no contract, arrangement,

transaction or proposal is liable to be avoided on the grounds of any director (or any person connected with him as aforesaid) having any type of interest authorised under Article 102.1 (subject as aforesaid).

### **103. DECLARATIONS OF INTEREST BY DIRECTORS**

103.1 A director must declare the nature and extent of his interest in a relevant situation within Article 102.1 to the other directors.

103.2 If a director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he must declare the nature and extent of his interest to the other directors.

103.3 Where a director is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company, he must declare the nature and extent of his interest to the other directors, unless the interest has already been declared under Article 103.2.

103.4 The declaration of interest must (in the case of Article 103.3 and may, but need not (in the case of Article 103.1 or Article 103.2) be made:

- (a) at a meeting of the board; or
- (b) by notice to the other directors in accordance with:
  - (i) section 184 of CA 2006 (notice in writing); or
  - (ii) section 185 of CA 2006 (general notice).

103.5 If a declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.

103.6 Any declaration of interest required by Article 103.1 must be made as soon as is reasonably practicable. Failure to comply with this requirement does not affect the underlying duty to make the declaration of interest.

103.7 Any declaration of interest required by Article 103.2 must be made before the Company enters into the transaction or arrangement.

103.8 Any declaration of interest required by Article 103.3 must be made as soon as is reasonably practicable. Failure to comply with this requirement does not affect the underlying duty to make the declaration of interest.

103.9 A declaration in relation to an interest of which the director is not aware, or where the director is not aware of the transaction or arrangement in question, is not required.

For this purpose a director is treated as being aware of matters of which he ought reasonably to be aware.

103.10 A director need not declare an interest:

- (a) if it cannot be reasonably be regarded as likely to give rise to a conflict of interest;
- (b) if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as being aware of anything of which they ought reasonably to be aware); or
- (c) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered:
  - (i) by a meeting of the board; or
  - (ii) by a committee of the board appointed for the purpose under the Articles.

## 104. DIRECTORS' INTERESTS AND VOTING

- 104.1 Subject to the provisions of the Acts and provided he has declared his interest in accordance with Article 103, a director, notwithstanding his office:
- (a) may enter into or otherwise be interested in a contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested either in connection with his tenure of an office or place of profit or as seller, buyer or otherwise;
  - (b) may hold another office or place of profit with the Company (except that of auditor or 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 to the Company, and in that case on such terms as to remuneration and otherwise as the board may decide either in addition to or instead of remuneration provided for by another Article; and
  - (c) may be or become a director or other officer of, or employed by, or a party to a contract, transaction, arrangement or proposal with or otherwise interested in, a company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has a power of appointment.
- 104.2 A director shall not be liable to account to the Company for any profit, remuneration or other benefit resulting from any interests permitted under Article 104.1 and no contract, arrangement, transaction or proposal is liable to be avoided on the grounds of any director having any type of interest permitted under Article 104.1.
- 104.3 A director may not vote on or be counted in the quorum in relation to a resolution of the board or of a committee of the board concerning any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested and in which he has an interest which may reasonably be regarded as likely to give rise to a conflict of interest, but this prohibition does not apply to a resolution concerning any of the following matters:
- (a) any contract, arrangement, transaction or proposal in which he is interested by virtue of an interest in shares, debentures or other securities of the Company, or otherwise in or through the Company;
  - (b) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
  - (c) the giving of a 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, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
  - (d) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
  - (e) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a subsidiary undertaking of the Company) in which he is interested (directly or indirectly) whether as an officer, shareholder, creditor or otherwise (a "**relevant company**"), if he does not to his knowledge hold an interest in shares (as that term is used in sections 820 to 825 of CA 2006) representing one per cent. or more of either any class of the equity share capital of or the voting rights in the relevant company;

- (f) a contract, arrangement, transaction or proposal for the benefit of the employees of the Company or any of its subsidiary undertakings (including any pension fund or retirement, death or disability scheme) which does not award him a privilege or benefit not generally awarded to the employees to whom it relates; and
- (g) a contract, arrangement, transaction or proposal concerning:
  - (i) indemnification (including loans made in connection with it) by the Company in relation to the performance of his duties on behalf of the Company or any of its subsidiary undertakings; or
  - (ii) the purchase or maintenance of any insurance policy for the benefit of directors or for the benefit of persons including directors.

104.4 A director may not vote on or be counted in the quorum in relation to a resolution of the board or committee of the board concerning his own appointment (including, without limitation, fixing or varying the terms of his appointment or its termination) as the holder of an 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, without limitation, fixing or varying the terms of appointment or its termination) of two or more directors to offices or places of profit with the Company or a company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each director. In that case, each of the directors concerned (if not otherwise debarred from voting under this Article) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

104.5 If a question arises at a meeting as to whether the interest of a director (other than the interest of the chairman of the meeting) may reasonably be regarded as likely to give rise to a conflict of interest or as to the entitlement of a director (other than the chairman) to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the chairman and his ruling in relation to the director concerned is conclusive and binding on all concerned.

104.6 If a question arises at a meeting as to whether the interest of the chairman of the meeting may reasonably be regarded as likely to give rise to a conflict of interest or as to the entitlement of the chairman to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by resolution of the directors or committee members present at the meeting (excluding the chairman) whose majority vote is conclusive and binding on all concerned.

104.7 For the purposes of this Article, the interest of a person who is connected with (within the meaning of section 252 of CA 2006) a director is treated as the interest of the director and, in relation to an alternate director, the interest of his appointor is treated as the interest of the alternate director in addition to an interest which the alternate director otherwise has. This Article applies to an alternate director as if he were a director otherwise appointed.

104.8 Subject to the provisions of the Acts, the Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any contract, arrangement, transaction or proposal not properly authorised by reason of a contravention of this Article.

## **PROCEEDINGS OF DIRECTORS AND COMMITTEES**

### **105. BOARD MEETINGS**

Subject to the Articles, the board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit.

## **106. NOTICE OF BOARD MEETINGS**

A director may, and the secretary at the request of a director shall, summon a board meeting at any time. Notice of a board meeting is deemed to be duly given to a director if it is given to him personally or by word of mouth or by electronic means to an address or electronic address given by him to the Company for that purpose or sent to him in hard copy form at his last-known address or another address given by him to the Company for that purpose. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively. A director absent or intending to be absent from the United Kingdom may request that notices of board meetings during his absence be sent to him in hard copy form or by electronic means to an address or electronic address given by him to the Company for that purpose. If no request is made (and/or if no such non-United Kingdom address is given) it is not necessary to give notice of a board meeting to a director who is absent from the United Kingdom.

## **107. QUORUM**

The quorum necessary for the transaction of business may be decided by the board and until otherwise decided is two directors present in person or by alternate director. A duly convened meeting of the board at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the board.

## **108. CHAIRMAN OF BOARD**

The board may appoint one of its body as chairman to preside at every board meeting at which he is present and one or more deputy chairman or chairmen and decide 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 chairman or deputy chairman is elected, or if at a meeting neither the chairman nor a deputy chairman is present within five minutes of the time fixed for the start of the meeting, the directors and alternate directors (in the absence of their appointors) present shall choose one of their number to be chairman. If two or more deputy chairmen are present, the senior of them shall act as chairman, seniority being determined by length of office since their last appointment or reappointment or deemed reappointment. As between two or more who have held office for an equal length of time, the deputy chairman to act as chairman shall be decided by those directors and alternate directors (in the absence of their appointors) present. A chairman or deputy chairman may hold executive office or employment with the Company.

## **109. VOTING**

Questions arising at a meeting of the board are determined by a majority of votes. In case of an equality of votes the chairman has a second or casting vote.

## **110. PARTICIPATION BY TELEPHONE**

A director or his alternate director may participate in a meeting of the board or a committee of the board, by telephone or by any other means of communication if all persons participating in the meeting are able to hear and speak to each other (or otherwise communicate in real time) throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the provisions of the Acts, all business transacted in this way by the board or a committee of the board is for the purposes of the Articles deemed to be validly and effectively transacted at a meeting of the board or a committee of the board although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

## **111. RESOLUTION IN WRITING**

A resolution which is signed or approved by all the directors entitled to vote and/or receive notice of that resolution (and whose vote would have been counted) shall be as valid and effectual as if it had



been passed at a board meeting duly called and constituted. The resolution may be contained in one document or communication in electronic form or in several documents or communications in electronic form (in like form), each signed or approved by one or more of the directors concerned. For the purpose of this Article:

- (a) the signature or approval of an alternate director (if any) shall suffice in place of the signature of the director appointing him; and
- (b) the approval of a director or alternate director shall be given in hard copy form or in electronic form.

## **112. PROCEEDINGS OF COMMITTEES**

112.1 Proceedings of any committee of the board consisting of two or more members shall be conducted in accordance with terms prescribed by the board (if any). Subject to those terms and Article 112.2, proceedings shall be conducted in accordance with applicable provisions of the Articles regulating the proceedings of the board.

112.2 Where the board resolves to delegate any of its powers, authorities and discretions to a committee and that resolution states that the committee shall consist of any one or more unnamed directors, it is not necessary to give notice of a meeting of that committee to directors other than the director or directors who form the committee.

## **113. MINUTES OF PROCEEDINGS**

113.1 The board shall cause minutes to be made in books kept in the United Kingdom for the purpose of:

- (a) all appointments of officers and committees made by the board and of any remuneration fixed by the board; and
- (b) the names of directors present at every meeting of the board, committees of the board, meetings of the Company or meetings of the holders of a class of shares or debentures, and all orders, resolutions and proceedings of such meetings.

113.2 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, minutes are receivable as prima facie evidence of the matters stated in them.

## **114. VALIDITY OF PROCEEDINGS OF BOARD OR COMMITTEE**

All acts done by a meeting of the board, or of a committee of the board, or by a person acting as a director, alternate director or member of a committee are, notwithstanding that it is afterwards discovered that there was a defect in the appointment of a person or persons acting, 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, treated 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.

## **SECRETARY AND AUTHENTICATION OF DOCUMENTS**

### **115. SECRETARY**

115.1 Subject to the provisions of the Acts, the board shall appoint a secretary or joint secretaries and may appoint one or more persons to be an assistant or deputy secretary on such terms and conditions (including, without limitation, remuneration) as it thinks fit. The board may remove a person appointed pursuant to this Article from office and appoint another or others in his place.

115.2 Any provision of the Acts or of the Articles requiring or authorising a thing to be done by or to a director and the secretary is not satisfied by its being done by or to the same person acting both as director and as, or in the place of, the secretary.

#### **116. AUTHENTICATION OF DOCUMENTS**

A director or the secretary or another person appointed by the board for the purpose may authenticate documents affecting the constitution of the Company (including, without limitation the Articles) and resolutions passed by the Company or holders of a class of shares or the board or a committee of the board and books, records, documents and accounts relating to the business of the Company, and certify copies or extracts as true copies or extracts; and where any books, records, documents or accounts are elsewhere than the office (but in the United Kingdom to the extent possible), 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, 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 the proceedings at a duly constituted meeting.

#### **SEALS**

#### **117. SAFE CUSTODY**

The board shall provide for the safe custody of every seal.

#### **118. APPLICATION OF SEALS**

A seal may be used only by the authority of a resolution of the board or of a committee of the board. The board may decide who will sign an instrument to which a seal is affixed (or, in the case of a share certificate, on which the seal may be printed) either generally or in relation to a particular instrument or type of instrument. The board may also decide, either generally or in a particular case, that a signature may be dispensed with or affixed by mechanical means. Unless otherwise decided by the board:

- (a) share certificates and certificates issued in respect of debentures or other securities (subject to the provisions of the relevant instrument) need not be signed or, if signed, a signature may be applied by mechanical or other means or may be printed; and
- (b) every other instrument to which a seal is affixed shall be signed by one director and by the secretary or a second director.

#### **DIVIDENDS AND OTHER PAYMENTS**

#### **119. RESERVES**

Subject to the provisions of the Acts, 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 reserves as it thinks fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as it thinks fit. Any sum which the board may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute.

## **120. DECLARATION OF DIVIDENDS**

Subject to the provisions of the Acts and the Articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests, but no dividend may exceed the amount recommended by the board.

## **121. INTERIM DIVIDENDS**

Subject to the provisions of the Acts, the board may declare and pay such interim dividends (including, without limitation, a dividend payable at a fixed rate) as appear to it to be justified by the profits of the Company available for distribution. No interim dividend shall be declared or paid on shares which do not confer preferred rights with regard to a dividend if, at the time of declaration, any dividend on shares which do confer a right to a preferred dividend is in arrears. If the board acts in good faith, it does not incur any liability to the holders of shares conferring preferred rights for a loss they may suffer by the lawful payment of an interim dividend on shares ranking after those with preferred rights.

## **122. ENTITLEMENT TO DIVIDENDS**

122.1 Except as otherwise provided by the rights attached to, or the terms of issue of, shares:

- (a) a dividend shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid, but no amount paid up on a share in advance of a call may be treated for the purpose of this Article as paid up on the share; and
- (b) 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.

122.2 Except as otherwise provided by the rights attached to shares, dividends may be declared or paid in any currency. The board may agree with any member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

## **123. METHOD OF PAYMENT**

123.1 The Company may pay any dividend, interest or other amount payable in respect of a share:

- (a) in cash;
- (b) by cheque, warrant or money order made payable to or to the order of the person entitled to the payment (and which may, at the Company's option, be crossed "account payee" where appropriate);
- (c) by a bank or other funds transfer system to an account designated by the person entitled to the payment either in writing or as the board may otherwise decide;
- (d) if the board so decides, by means of a relevant system in respect of an uncertificated share, in such manner as may be consistent with the facilities and requirements of the relevant system or as the board may otherwise decide; or
- (e) by any electronic or other means as the board may decide, to an account, or in accordance with the details, specified by the person entitled to the payment either in writing or as the board may otherwise decide.

123.2 The Company may send a cheque, warrant or money order by post:

- (a) in the case of a sole holder, to his registered address;

- (b) in the case of joint holders, to the registered address of the person whose name stands first in the register;
- (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 140; or
- (d) in any case, to a person and address that the person or persons entitled to the payment may in writing direct.

123.3 Where a share is held jointly or two or more persons are jointly entitled by transmission to a share:

- (a) the Company may pay any dividend, interest or other amount payable in respect of that share to any one joint holder, or any one person entitled by transmission to the share, and in either case that holder or person may give an effective receipt for the payment; and
- (b) for any of the purposes of this Article 123, the Company may rely in relation to a share on the written direction or designation of any one joint holder of the share, or any one person entitled by transmission to the share.

123.4 Without prejudice to the generality of the foregoing, in respect of shares in uncertificated form, such payment may include the sending by the Company or by any person on its behalf of an instruction to the Operator of the relevant system to credit the cash memorandum account of the holder or joint holders or, if permitted by the Company, of such person as the holder or joint holders may in writing direct.

123.5 Payment of such cheque, warrant or money order, the collection of funds from or transfer of funds by a bank in accordance with such direct debit or bank transfer or, in respect of shares in uncertificated form, the making of payment by means of a relevant system, shall be a good discharge to the Company.

123.6 Every cheque, warrant or money order sent by post is sent at the risk of the person entitled to the payment. If payment is made by bank or other funds transfer, by means of a relevant system or by another method at the direction of the person entitled to payment, the Company is not responsible for amounts lost or delayed in the course of making that payment.

123.7 Without prejudice to Article 66, 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 such evidence of his right as the board may reasonably require.

#### **124. DIVIDENDS NOT TO BEAR INTEREST**

No dividend or other amount payable by the Company in respect of a share bears interest as against the Company unless otherwise provided by the rights attached to the share.

#### **125. CALLS OR DEBTS MAY BE DEDUCTED FROM DIVIDENDS ETC.**

The board may deduct from a dividend or other amounts payable to a person in respect of a share amounts due from him to the Company on account of a call or otherwise in relation to a share.

#### **126. UNCLAIMED DIVIDENDS ETC.**

Any unclaimed dividend, interest or other amount payable by the Company in respect of a share may be invested or otherwise made use of by the board for the benefit of the Company until claimed. A dividend unclaimed for a period of 12 years from the date it was declared or became due for payment is forfeited and ceases to remain owing by the Company. The payment of an unclaimed dividend, interest or other amount payable by the Company in respect of a share into a separate account does not constitute the Company a trustee in respect of it.

## 127. UNCASHED DIVIDENDS

If, in respect of a dividend or other amount payable in respect of a share, on any one occasion:

- (a) a cheque, warrant or money order is returned undelivered or left uncashed; or
- (b) a transfer made by a bank or other funds transfer system is not accepted,

and reasonable enquiries have failed to establish another address or account of the person entitled to the payment, the Company is not obliged to send or transfer a dividend or other amount payable in respect of that share to that person until he notifies the Company of an address or account to be used for that purpose. If the cheque, warrant or money order is returned undelivered or left uncashed or transfer not accepted on two consecutive occasions, the Company may exercise this power without making any such enquiries.

## 128. PAYMENT OF DIVIDENDS IN SPECIE

Without prejudice to Article 66, the board may, with the prior authority of an ordinary resolution of the Company, direct that payment of a dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of another company. Where a difficulty arises in connection with the distribution, the board may settle it as it thinks fit and in particular, without limitation, may:

- (a) issue fractional certificates (or ignore fractions);
- (b) fix the value for distribution of the specific assets (or any part of them);
- (c) decide that a cash payment be made to a member on the basis of the value so fixed, in order to secure equality of distribution; and
- (d) vest assets in trustees on trust for the persons entitled to the dividend as seems expedient to the board.

## 129. PAYMENT OF SCRIP DIVIDENDS

- 129.1 Subject to the provisions of the Acts, but without prejudice to Article 66, the board may, with the prior authority of an ordinary resolution of the Company, allot to those holders of a particular class of shares who have elected to receive them further shares of that class or ordinary shares in either case credited as fully paid ("**new shares**") instead of cash in respect of all or part of a dividend or dividends specified by the resolution, subject to any exclusions, restrictions or other arrangements the board may in its absolute discretion deem necessary or expedient to deal with legal or practical problems under the laws of, or the requirements of a recognised regulatory body or a stock exchange in, any territory.
- 129.2 Where a resolution under Article 129.1 is to be proposed at a general meeting and the resolution relates in whole or in part to a dividend to be declared at that meeting, then the resolution declaring the dividend is deemed to take effect at the end of that meeting.
- 129.3 A resolution under Article 129.1 may relate to a particular dividend or to all or any dividends declared or paid within a specified period, but that period may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which the resolution is passed.
- 129.4 The board shall determine the basis of allotment of new shares so that, as nearly as may be considered convenient without involving rounding up of fractions, the value of the new shares (including a fractional entitlement) to be allotted (calculated by reference to the average quotation, or the nominal value of the new shares, if greater) equals (disregarding an associated tax credit) the amount of the dividend which would otherwise have been received by the holder (the "**relevant dividend**"). For this purpose the "**average quotation**" of each of the new shares is the average of the middle-market

quotations for a fully-paid share of the Company of that class derived from the Daily Official List of the London Stock Exchange (or such other average value derived from such other source as the board may deem appropriate) for the business day on which the relevant class of shares is first quoted "ex" the relevant dividend (or such other date as the board may deem appropriate) and the four subsequent business day(s) or shall be as determined by or in accordance with the resolution under Article 129.1. A certificate or report by the auditors as to the value of the new shares to be allotted in respect of any dividend shall be conclusive evidence of that amount.

- 129.5 The board may make any provision it considers appropriate in relation to an allotment made or to be made pursuant to this Article (whether before or after the passing of the resolution under Article 129.1, including, without limitation:
- (a) the giving of notice to holders of the right of election offered to them;
  - (b) the provision of forms of election (whether in respect of a particular dividend or dividends generally);
  - (c) determination of the procedure for making and revoking elections;
  - (d) the place at which, and the latest time by which, forms of election and other relevant documents must be lodged in order to be effective; and
  - (e) the disregarding or rounding up or down or carrying forward of fractional entitlements, in whole or in part, or the accrual of the benefit of fractional entitlements to the Company (rather than to the holders concerned).

The accidental omission to give notice of any right of election to, or the non-receipt (even if the Company becomes aware of such non-receipt) of any such notice by, any holder of ordinary shares entitled to the same shall neither invalidate any offer of an election nor give rise to any claim, suit or action.

- 129.6 The dividend (or that part of the dividend in respect of which a right of election has been offered) is not declared or payable on shares in respect of which an election has been duly made (the "**elected shares**"); instead new shares are allotted to the holders of the elected shares on the basis of allotment calculated as in Article 129.4. For that purpose, the board may resolve to capitalise out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, a sum equal to the aggregate nominal amount of the new shares to be allotted and apply it in paying up in full the appropriate number of new shares for allotment and distribution to the holders of the elected shares. A resolution of the board capitalising part of the reserves has the same effect as if the board had resolved to effect the capitalisation with the authority of an ordinary resolution of the Company pursuant to Article 130. In relation to the capitalisation the board may exercise all the powers conferred on it by Article 130 without an ordinary resolution of the Company.
- 129.7 The new shares rank *pari passu* in all respects with each other and with the fully-paid shares of the same class in issue on the record date for the dividend in respect of which the right of election has been offered, but they will not rank for a dividend or other distribution or entitlement which has been declared or paid by reference to that record date.
- 129.8 In relation to any particular proposed dividend, the board may in its absolute discretion decide:
- (a) that shareholders shall not be entitled to make any election in respect thereof and that any election previously made shall not extend to such dividend; or
  - (b) at any time prior to the allotment of the new shares which would otherwise be allotted in lieu thereof, that all elections to take ordinary shares in lieu of such dividend shall be treated as not

applying to that dividend, and if so the dividend shall be paid in cash as if no elections had been made in respect of it.

### **130. CAPITALISATION OF RESERVES**

Subject to the provisions of the Acts, the board may, with the authority of an ordinary resolution of the Company:

- (a) resolve to capitalise an amount standing to the credit of reserves (including a share premium account, capital redemption reserve, merger reserve and profit and loss account), whether or not available for distribution;
- (b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amount of ordinary shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:
  - (i) paying up the amounts (if any) for the time being unpaid on shares held by them respectively; or
  - (ii) paying up in full unissued shares or debentures of a nominal amount equal to that sum, and allot the shares or debentures, credited as fully paid, to the members (or as they may direct) in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- (c) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where shares or debentures become distributable in fractions the board may deal with the fractions as it thinks fit, including issuing fractional certificates, disregarding fractions or selling shares or debentures representing the fractions to a person for the best price reasonably obtainable and distributing the net proceeds of the sale in due proportion amongst the members (except that if the amount due to a member is less than £5.00, or such other sum as the board may decide, the sum may be retained for the benefit of the Company);
- (d) authorise a person to enter (on behalf of all the members concerned) into an agreement with the Company providing for either:
  - (i) the allotment to the members respectively, credited as fully paid, of shares or debentures to which they may be entitled on the capitalisation, or
  - (ii) the payment by the Company on behalf of the members (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing shares, an agreement made under the authority being effective and binding on all those members; and
- (e) generally do all acts and things required to give effect to the resolution.

### **131. CAPITALISATION OF RESERVES - EMPLOYEES' SHARE SCHEMES**

131.1 This Article (which is without prejudice to the generality of the provisions of the immediately preceding Article 130) applies where:

- (a) a person is granted pursuant to an employees' share scheme a right to subscribe for shares in the capital of the Company on terms that the subscription price payable in cash on the allotment of those shares is a price less than their nominal value; and

- (b) pursuant to the terms of an employees' share scheme, the terms on which a person is entitled to subscribe for shares in the capital of the Company are adjusted as a result of a capitalisation issue, rights issue or other variation of capital so that the subscription price payable in cash on the allotment of those shares is a price less than their nominal value.

131.2 In every such case the board shall:

- (a) transfer to a reserve account a sum equal to the deficiency between the subscription price and the nominal value of the shares (the "**cash deficiency**") from the reserves of the Company available for distribution and not required for the payment or provision of any fixed preferential dividend; and
- (b) subject to Article 131.4, not apply that reserve account for any purpose other than paying up the cash deficiency on the allotment of those shares.

131.3 Whenever the Company is required to allot shares pursuant to such a right to subscribe, the board shall, subject to the provisions of the Acts:

- (a) capitalise out of the reserve account an amount equal to the cash deficiency applicable to those shares;
- (b) apply that amount in paying up the deficiency on the nominal value of those shares; and
- (c) allot those shares credited as fully paid to the person entitled to them.

131.4 If a person ceases to be entitled to subscribe for shares as described, the restrictions on the reserve account cease to apply in relation to that part of the account that equals the amount of the cash deficiency applicable to those shares.

131.5 No right may be granted under an employees' share scheme under Article 131.1(a) and no adjustment may be made as mentioned in Article 131.1(b) unless the Company has sufficient reserves available for distribution and not required for the payment or provision of a fixed preferential dividend to permit the transfer to a reserve account in accordance with Article 131.2 of an amount sufficient to pay up the cash deficiency applicable to the shares concerned.

## **132. RECORD DATES**

132.1 Notwithstanding any other provision of the Articles, but subject to the provisions of the Acts and rights attached to shares, the Company or the board may fix any date as the record date for any dividend, distribution, allotment, issue, notice, information, document or circular. The record date may be on or at any time before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid or the notice, information, document or circular is given or served (as the case may be).

132.2 In the absence of a record date being fixed, entitlement to any dividend, distribution, interest, allotment, issue, notice, information, document or circular shall be determined by reference to the date on which the dividend is declared, the distribution allotment or issue is made or the notice, information, document or circular made, given or served.

## **ACCOUNTS**

### **133. KEEPING AND INSPECTION OF ACCOUNTING RECORDS**

133.1 The board shall ensure that accounting records are kept in accordance with the provisions of the Acts.

133.2 The accounting records shall be kept at the office or, subject to the provisions of the Acts, at another place decided by the board and shall be available at all times for the inspection of the directors and other officers. No member (other than a director or other officer) has the right to inspect an accounting



record or other document except if that right is conferred by the Acts or ordered by a court of competent jurisdiction or he is authorised by the board or by an ordinary resolution of the Company.

#### **134. ACCOUNTS TO BE SENT TO MEMBERS ETC.**

134.1 In respect of each financial year, a copy of the Company's annual accounts, the strategic report, the directors' remuneration report, the directors' report and the auditors' report on those accounts, on the auditable part of the directors' remuneration report and on the directors' report shall be sent to:

- (a) every member (whether or not entitled to receive notices of general meetings);
- (b) every holder of debentures (whether or not entitled to receive notices of general meetings);  
and
- (c) every other person who is entitled to receive notices of general meetings

not less than 21 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the Acts.

This Article does not require copies of the documents to which it applies to be sent to:

- (a) a person for whom the Company does not have a current address; or
- (b) more than one of the joint holders of shares or debentures.

134.2 The board may determine that persons entitled to receive a copy of the Company's annual accounts, the strategic report, the directors' remuneration report, the directors' report and the auditors' report on those accounts, on the auditable part of the directors' remuneration report and on the directors' report are those persons entered on the register at the close of business on a day determined by the board, provided that, if the Company is a participating issuer, the day determined by the board may not be more than 21 days before the day that the relevant copies are being sent.

134.3 Where permitted by the Acts, a summary financial statement derived from the Company's annual accounts, the directors' remuneration report and the directors' report in the form and containing the information prescribed by the Acts may be sent to a person so electing in place of the documents required to be sent by Article 134.1.

### **NOTICES**

#### **135. NOTICES TO BE IN WRITING**

A notice to be given to or by any person pursuant to the Articles (other than a notice convening a meeting of the board or of a committee of the board) shall be in writing.

#### **136. SERVICE OF NOTICES, DOCUMENTS AND INFORMATION ON MEMBERS**

136.1 Any notice, document or information may be given, sent or supplied by the Company to any member:

- (a) personally;
- (b) by sending it by post in a pre-paid envelope addressed to the member at his registered address or address given pursuant to Article 136.4, or by leaving it at that address;
- (c) through a relevant system, where the notice or document relates to uncertificated shares;
- (d) by sending it in electronic form to the electronic address specified for the purpose by the member (generally or specifically), provided that the member has agreed (generally or specifically) that the notice, document or information may be sent or supplied in that form (and has not revoked that agreement);

- (e) subject to the provisions of the Acts, by making it available on a website, provided that the requirements in Article 136.2 are satisfied; or
- (f) by any other means authorised in writing by the member.

136.2 The requirements referred to in Article 136.1(d) are that:

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

136.3 In the case of joint holders of shares:

- (a) it shall be sufficient for all notices, documents and other information to be given, sent or supplied to the joint holder whose name stands first in the register in respect of the joint holding (the "**first named holder**") only; and
- (b) anything to be agreed or specified in relation to any notice, document or information to be sent or supplied to them may be agreed or specified by the first named holder and any such agreement or specification shall be binding on all the joint holders.

136.4 A member whose registered address is not within the United Kingdom who gives to the Company an address within the United Kingdom at which notices, documents or information may be given, sent or supplied to him shall be entitled to have notices, documents or information given, sent or supplied to him at that address (provided that, in the case of a notice, document or information sent by electronic means, including without limitation any notification required by the Acts that the notice, document or information is available on a website, the Company so agrees, which agreement the Company shall be entitled to withhold in its absolute discretion), but otherwise no such member shall be entitled to receive any notice, document or information from the Company.

136.5 For the avoidance of doubt, the provisions of this Article 136 are subject to Article 41.

136.6 The Company may at any time and at its sole discretion choose to give, send or supply notices, documents and information only in hard copy form to some or all members.

### **137. NOTICE BY ADVERTISEMENT**

If there is a suspension or curtailment of postal services within the United Kingdom or some part of the United Kingdom the Company need only give notice of a general meeting to those with whom the Company can communicate by electronic means and who have provided the Company with an address for this purpose. The Company shall also advertise the notice in at least one newspaper with a national circulation and make it available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment thereof. If at least six clear days before the meeting the sending of notices by post in hard copy form throughout the United Kingdom has again become generally possible, the Company shall send or supply confirmatory copies of the notice by post to those members who would otherwise receive the notice in hard copy form.

### **138. EVIDENCE OF SERVICE**

- 138.1 Any notice, document or information given, sent or supplied by the Company to the members or any of them:
- (a) by being delivered or left (other than by post) at a registered address or address for service in the United Kingdom (other than an address for the purposes of communicating by electronic means) shall be deemed to have been served or delivered on the day it was so delivered or left;
  - (b) by post, shall be deemed to have been received 24 hours after the time at which the envelope containing the notice, document or information was posted unless it was sent by second class post or there is only one class of post in which case it shall be deemed to have been received 48 hours after it was posted. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that the notice, document or information was sent;
  - (c) by electronic means, shall be deemed to have been received 6 hours after it was sent provided that the Company is able to show that it was properly addressed;
  - (d) by making it available on a website, shall be deemed to have been received on the date on which notification of availability on the website is deemed to have been received in accordance with this Article or, if later, the date on which it is first made available on the website; or
  - (e) by means of a relevant system shall be deemed to have been received 24 hours after the Company, or any sponsoring system-participant acting on the Company's behalf, sends the issuer-instruction relating to the notice, document or information.
- 138.2 Any notice, document or information given, sent or supplied by the Company by any other means authorised in writing by the member concerned is deemed to be received when the Company has taken the action it has been authorised to take for that purpose.
- 138.3 A member present in person or by proxy at a meeting or at a meeting of the holders of a class of shares is deemed to have received due notice of the meeting and, where required, of the purposes for which it was called.

### **139. NOTICE BINDING ON TRANSFEREES ETC.**

A person who becomes entitled to a share by transmission, transfer or otherwise is bound by a notice in respect of that share (other than a notice served by the Company under section 793 of CA 2006) which, before his name is entered in the register, has been properly served on a person from whom he derives his title.

#### **140. NOTICE IN CASE OF ENTITLEMENT BY TRANSMISSION**

Where a person is entitled by transmission to a share, any notice, document or information may be given, sent or supplied by the Company to that person as if he were the holder of a share by sending or delivering it in any manner authorised by the 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 member (or by similar designation), at the address (if any) in the United Kingdom supplied for that purpose by the person claiming to be entitled by transmission. Until such an address has been supplied, any notice, document or information may be given, sent or supplied in any manner in which it might have been given if the death or bankruptcy or other event had not occurred. The giving of notice in accordance with this Article is sufficient notice to any other person interested in the share.

#### **141. VALIDATION OF DOCUMENTS IN ELECTRONIC FORM**

141.1 Where a document is required under the Articles to be signed by a member or any other person, if the document is in electronic form, then in order to be valid the document must either:

- (a) incorporate the electronic signature, or personal identification details (which may be details previously allocated by the Company), of that member or other person, in such form as the board may approve; or
- (b) be accompanied by such other evidence as the board may require in order to be satisfied that the document is genuine.

141.2 The Company may designate mechanisms for validating any document in electronic form and a document not validated by the use of any such mechanisms shall be deemed as having not been received by the Company. In the case of any document or information relating to a meeting, an instrument of proxy or invitation to appoint a proxy, any validation requirements shall be specified in the relevant notice of meeting in accordance with Articles 40 and 59.

### **MISCELLANEOUS**

#### **142. DESTRUCTION OF DOCUMENTS**

142.1 The Company may destroy:

- (a) a share certificate which has been cancelled at any time after one year from the date of cancellation;
- (b) a mandate for the payment of dividends or other amounts or a variation or cancellation of a mandate or a notification of change of name or address at any time after two years from the date the mandate, variation, cancellation or notification was recorded by the Company;
- (c) an instrument of transfer of shares (including a document constituting the renunciation of an allotment of shares) which has been registered at any time after six years from the date of registration;
- (d) any instrument of proxy which has been used for the purpose of a poll at any time after one year has elapsed from the date of use;
- (e) any instrument of proxy which has not been used for the purpose of a poll at any time after a period of one month has elapsed from the end of the meeting to which the instrument of proxy relates; and
- (f) any other document on the basis of which any entry in the register is made at any time after six years from the date an entry in the register was first made 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 made and retained (whether electronically, by microfilm, by digital imaging or by other similar means) until the expiration of the period applicable to the destruction of the original of such document.

142.2 It is presumed conclusively in favour of the Company that every share certificate destroyed was a valid certificate validly cancelled, that every instrument of transfer destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company, but:

- (a) the provisions of this Article apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of the document is relevant to a claim;
- (b) nothing contained in this Article imposes on the Company liability in respect of the destruction of a document earlier than provided for in this Article or in any case where the conditions of this Article are not fulfilled; and
- (c) references in this Article to the destruction of a document include reference to its disposal in any manner.

#### **143. CHANGE OF NAME**

The Company may change its name by resolution of the board.

#### **144. WINDING UP**

On a voluntary winding up of the Company the liquidator may, on obtaining any sanction required by law, divide among the members (excluding any member holding shares as treasury shares) in kind the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or of different kinds, and vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he, with the like sanction, shall determine. For this purpose the liquidator may set the value he deems fair on a class or classes of property, and may determine on the basis of that valuation and in accordance with the then existing rights of members how the division is to be carried out between members or classes of members. The liquidator may not, however, distribute to a member without his consent an asset to which there is attached a liability or potential liability for the owner.

#### **145. INDEMNITY**

145.1 Subject to the provisions of the Acts, the Company may:

- (a) indemnify to any extent any person who is or was a director, or a director of any associated company, directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any loss or liability, whether in connection with any negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company;
- (b) indemnify to any extent any person who is or was a director of an associated company that is a trustee of an occupational pension scheme, directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any liability incurred by him in connection with the company's activities as trustee of an occupational pension scheme.

145.2 Where a person is indemnified against any liability in accordance with Article 145.1, such indemnity may extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto.