

**THE COMPANIES ACTS 1985 TO 2006**  
**PUBLIC COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**HORIZONTE MINERALS PLC**  
**(As adopted by Special Resolution Passed on 28 May 2009)**

**PRELIMINARY**

1. (A) In these Articles the following words and expressions have the following meanings:

“1985 Act”	the Companies Act 1985 (as amended)
“2006 Act”	the Companies Act 2006 (as amended)
“the Acts”	shall refer collectively to the Companies Act 1985, as amended by the Companies Act 2006 (to the extent in force)
“AIM”	the AIM market of the London Stock Exchange;
“audited balance sheet”	the latest audited balance sheet of the Company unless as at the date of such balance sheet there shall have been made up as at such date and audited a consolidated balance sheet of the Company and its subsidiary undertakings (within the meaning of Section 1162 of the 2006 Act) (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purposes of the Statutes) and in the latter event “the audited balance sheet” means the audited consolidated balance sheet of the Company and such subsidiary undertakings and references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and there shall be excluded any amounts attributable to outside interests in subsidiary undertakings;
“Auditors”	the auditors for the time being of the Company;
“Board”	the Directors or a quorum of such Directors assembled as a meeting of Directors duly convened or (unless the context otherwise requires or is inconsistent therewith) any committee authorised by the Board to act on its behalf;
“business day”	a day other than a Saturday or Sunday on which

	banks are normally open for business in England;
“clear days”	in relation to the period of a notice, the period excluding the day on which the notice is given or deemed to be given and the day for which it is given or on which it takes effect;
“Company”	Horizonte Minerals plc
“Director”	a director of the Company for the time being;
“dividend”	includes bonus, if not inconsistent with the subject or context;
“document”	includes, unless otherwise specified, any document sent or supplied in electronic form;
“Electronic Communication”	a communication sent by means of a telecommunications system, including fax, telephone communication and electronic mail;
“Group”	the Company and its subsidiaries for the time being;
“month”	calendar month;
“Office”	the registered office for the time being of the Company;
“paid up”	paid up or credited as paid up in respect of the nominal amount of a Share;
“Register”	the register of members of the Company;
“the Regulations”	means the Uncertificated Securities Regulations 1995 – 2001 (SI 1995 No. 95/3272, SI 2000 00/1682, SI 2001 01/3755) including any modification thereof or any regulations in substitution thereof made under Section 207 of the Companies Act 1989 for the time being in force;
“Seal”	the common seal of the Company;
“Secretary”	subject to the provisions of the Statutes includes joint Secretaries, a temporary or an assistant Secretary and any other person appointed by the Board to perform any of the duties of the Secretary;
“Statutes”	the Acts and every other Act or other statutory instrument for the time being in force concerning companies and affecting the Company including any statutory re-enactment or modification of the Acts and every other Act or statutory instrument;
“these Articles”	these Articles of Association of the Company as altered from time to time;
“the London Stock Exchange”	London Stock Exchange plc or any successor body carrying on its functions;
“United Kingdom”	Great Britain and Northern Ireland;

“writing”

the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

“year”

year from the 1st January to the 31st December inclusive.

(B) Words importing:

- (i) the singular number only include the plural number and vice versa;
- (ii) the masculine gender only include the feminine gender;
- (iii) persons include corporations.

(C) References to:

- (i) “mental disorder” mean mental disorder as defined in section 1 of the Mental Health Act 1983 and “mentally disordered” shall be construed accordingly;
- (ii) any section or provision of the Acts, if not inconsistent with the subject or context, include any corresponding or substituted section or provision of any Statute amending consolidating or replacing the Acts;
- (iii) an Article by number are to the particular Article of these Articles.

(D) Subject as aforesaid, any word or expression defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

(E) Words and expressions used in the Regulations shall have the same meaning when used in these Articles.

(F) References herein to a share (or to a holding of shares) being in certificated form or in uncertificated form are references, respectively, to that share being a certificated unit of a security or an uncertificated unit of a security.

(G) In Articles 74, 91(C), 95, 130, 164 (A) and (C) 172, 173 “address” in relation to Electronic Communication includes any number or address used for the purpose of such communication.

(H) The headings are inserted for convenience only and shall not affect the construction of these Articles.

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

### **BUSINESS**

3. Any branch or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Board at such time or times as it shall think fit, and further may be suffered by it to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with the same.

## SHARE CAPITAL

4. (A) The share capital of the Company at the date of adoption of these Articles is Stg£1,000,000 divided into 100,000,000 Ordinary shares of Stg£0.01 each.
- (B) Subject to the provisions of the Acts relating to authority, pre-emption rights and otherwise, and to any resolution of the Company in general meeting passed pursuant thereto, any shares unissued at the date of adoption of these Articles and any shares hereafter created shall be under the control of the Board, which may allot, grant options over or otherwise dispose of them on such terms and at such times as the Board may think proper, provided that no shares shall be issued at a discount and, save as permitted by section 101 (2) of the 1985 Act, shall not be allotted except as paid up at least as to one quarter of their nominal value and the whole of any premium thereon.

5. The Company may at any time and from time to time pass an ordinary resolution referring to this Article and authorising the Directors to allot relevant securities (as defined for the purposes of section 80(2) of the Act) and, upon the passing of such an ordinary resolution:

- (i) the Directors shall thereupon and without further formality be generally and unconditionally authorised to allot relevant securities provided that the nominal amount of such securities where they are shares, and, where such securities are not shares, the nominal amount of the shares in respect of which such securities confer the right to subscribe or convert, shall not exceed in aggregate the sum specified in such ordinary resolution; and
- (ii) any such authority shall (unless otherwise specified in such ordinary resolution or varied or abrogated by ordinary resolution passed at an intervening general meeting) expire at the conclusion of the annual general meeting of the Company next following the passing of such ordinary resolution save that the Company shall be entitled before such expiry to make an offer or agreement which would or might require relevant securities to be allotted after such expiry and its Directors shall be entitled to allot relevant securities in pursuance of such offer or agreement as if such authority had not expired,

and all (if any) previous authorities under section 80 of the 1985 Act shall thenceforth cease to have effect.

6. The Company may at any time and from time to time resolve by a special resolution referring to this Article that the Directors be empowered to allot equity securities (as defined for the purposes of sections 89 to 96 of the 1985 Act) for cash and upon such special resolution being passed the Directors shall (subject to their being authorised to allot relevant securities in accordance with section 80 of the 1985 Act) thereupon and without further formality be empowered to allot (pursuant to any such authority) equity securities for cash as if section 89(1) of the 1985 Act did not apply to any such allotment, provided that such power shall be limited:

- (i) to the allotment of equity securities pursuant to Article 159 or in connection with an issue by way of rights (including without limitation under a rights issue, open offer or similar arrangement) in favour of shareholders where the equity securities respectively attributable to the interests of all such shareholders are proportionate (as nearly as may be) to the respective value of shares held by them or in accordance with the rights attaching thereto, the Directors having the right to make such exclusions or arrangements as the Directors shall deem necessary or expedient to deal with the laws of any territory or the requirements of any recognised regulatory body or any stock exchange in any territory or in connection with fractional entitlements or record dates or as regards shares held by an approved depository or shares in issue in uncertificated or any other form; and
- (ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities having, in the case of relevant shares (as so defined), a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having a nominal amount not exceeding in aggregate the nominal amount specified in such special resolution,

and such power shall (unless otherwise specified in such special resolution or varied or abrogated by special resolution passed at an intervening general meeting) expire at the conclusion of the annual general meeting of the Company next following the passing of such special resolution save that the Company shall be entitled before such expiry to make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities in pursuance of such offer or agreement as if such authority had not expired.

7. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of the Statutes and of these Articles, any shares may be issued with such preferential, deferred, qualified or other special rights, privileges or conditions, whether in regard to dividend, voting, return of capital or otherwise, (including, but without prejudice to the generality of the foregoing, and subject to the provisions of the Statutes, shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holders) as the Company may from time to time in general meeting determine or, if the Company does not so determine, as the Board may determine.
8. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Statutes. Any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
9. If two or more persons are registered as joint holders of any share any one of such persons may give effective receipts for any dividends or other monies payable in respect of such share, but such power shall not apply to the legal personal representatives of a deceased member.
10. The Company shall not be bound to register more than four persons as joint holders of any share.
11. Except as otherwise expressly provided by these Articles or as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share on any trust, and the Company shall not be bound by or required to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any right whatsoever in respect of any share or any interest in any fractional part of a share other than an absolute right to the entirety thereof in the registered holder.

### **SHARE CERTIFICATES**

12. Every member whose holding or any part thereof is in certificated form (other than a holder of shares in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled, without payment, to receive within one month after allotment and within five business days of lodgment of a transfer (unless the conditions of issue provide for a longer interval) one certificate for all such certificated shares of each class registered in his name, specifying the number, class and distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up thereon.
13. If and so long as all the issued shares in the capital of the Company or all the issued shares of a particular class are fully paid up and rank pari passu for all purposes, then none of those shares shall bear a distinguishing number. In all other cases each share shall bear a distinguishing number.
14. In the case of joint holders of shares held in certificated form the Company shall not be bound to issue more than one certificate to all the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery to all.
15. Where a member has transferred part only of the shares comprised in a certificate, the old certificate shall be cancelled and he shall be entitled without charge to a certificate for the balance of his shares.
16. Every certificate for shares or debentures or representing any other form of security of the Company shall in accordance with Article 142 (A) be issued under the Seal, or an official seal kept

by the Company by virtue of section 40 of the 1985 Act or, in the case of shares on a branch register, an official seal for use in the relevant territory but the Board may resolve, either pursuant to Article 142 (B) or otherwise, to dispose with the sealing of any such documents or any class or classes of such documents.

17. No certificate shall be issued representing shares of more than one class, or to a holder of shares in respect of which the Company is not required by law to complete and have ready a certificate.
18. (A) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu.
- (B) If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Board may, if it thinks fit, comply with such request.
- (C) The Company may in its sole discretion charge to any member making a request pursuant to paragraphs (A) or (B) of this Article any out-of-pocket expenses incurred by it in complying with such request.
- (D) If any share certificate shall be defaced, worn out, destroyed or lost, it may on request be renewed without charge (other than payment of exceptional out of pocket expenses) on such evidence being produced and such indemnity (if any) being given as the Board shall require, and (in the case of defacement or wearing out) on delivery up of the old certificate.
- (E) In the case of shares held jointly by several persons any such request mentioned in this Article may be made by any one of the joint holders.

#### **UNCERTIFICATED SHARES**

19. (A) The Company may issue shares which may be held evidenced and transferred through a relevant system in uncertificated form, and where any share is held in uncertificated form the Company shall not issue and no person shall be entitled to receive a certificate in respect of such share at any time and for so long as the title to that share is evidenced otherwise than by a certificate and transfers may be made otherwise than by a written instrument by virtue of the Regulations. Title to shares in issue at the date of adoption of these Articles may be transferred and evidenced by a relevant system. The Board shall have power to implement any arrangements as they may, in their absolute discretion, think fit in relation to the evidencing and transfer of shares held in uncertificated form (subject always to the Regulations and the facilities and requirements of the relevant system concerned).
- (B) Conversion of shares held in certificated form into shares held in uncertificated form, and vice versa, may be made in such manner as the Board may, in its absolute discretion, think fit (subject always to the Regulations and the facilities and requirements of the relevant system concerned).
- (C) The Company shall enter on the register of members how many shares are held by each member in uncertificated form and in certificated form and shall maintain the register in each case as is required by the Regulations and the relevant system concerned.
- (D) Notwithstanding any provision of these Articles, a class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these Articles or the Regulations which apply only in respect of certificated or uncertificated shares.
- (E) The provisions of Articles 12 to 18 inclusive shall not apply to uncertificated shares.

**SHARE WARRANTS TO BEARER**

20. No share warrants shall be issued in respect of any deferred shares of the Company, but subject to this provision the Company is hereby authorised to issue share warrants under the powers given by the Statutes and the Board may accordingly, with respect to any shares which are fully paid-up (in any case in which it shall in its discretion think fit so to do), upon an application in writing signed by the person registered as the holder of such shares and authenticated by such statutory declaration or other evidence (if any) as the Board may from time to time require as to the identity of the person signing the request, and upon receiving the certificate (if any) for such shares, and the amount of the stamp duty on such warrant, or if the Company shall previously have compounded for such stamp duty, then such sum (if any) as the Board may determine in respect of the amount payable for such composition, and such fee as the Board may from time to time require, issue at the expense in all respects of the person applying for the same a warrant duly stamped stating that the bearer of the warrant is entitled to the shares therein specified, and may, in any case in which a warrant is so issued, provide by coupons or otherwise for the payment of the future dividends or other monies on the shares included in such warrant.
21. Subject to the provisions of these Articles and of the Statutes, the bearer of a warrant shall be deemed to be a member of the Company and shall be entitled to the same privileges and advantages as he would have had if his name had been included in the Register as the holder of the shares specified in such warrant.
22. No person shall as bearer of a warrant, be entitled (i) to sign a requisition for calling a meeting or to give notice of intention to submit a resolution to a meeting, or (ii) to attend or vote by himself or his proxy, or exercise any privilege as a member at a meeting, unless he shall, in case (i) before or at the time of lodging such requisition or giving such notice of intention as aforesaid, or in case (ii) three days at least before the day fixed for the meeting, have deposited at the Office or at such other place as may be specified in the notice the warrant in respect of which he claims to act, attend or vote as aforesaid, and unless the warrant shall remain so deposited until after the meeting and any adjournment thereof shall have been held.
23. Not more than one name shall be received as that of the holder of a warrant.
24. To any person so depositing a warrant there shall be delivered a certificate stating his name and address, and describing the shares included in the warrant so deposited, and bearing the date of issue of the certificate, and such certificate shall entitle him, or his proxy duly appointed, as hereinafter provided, to attend and vote at any general meeting held within three months from the date of the certificate in the same way as if he were the registered holder of the shares specified in the certificate.
25. Upon delivery up of the certificate to the Company, the bearer of the certificate shall be entitled to receive the warrant in respect of which the certificate was given.
26. The holder of a warrant shall not, save as aforesaid, be entitled to exercise any right as a member, unless (if called upon by any Director or the Secretary so to do) he produces his warrant and states his name and address.
27. The Board may at its discretion from time to time make regulations as to the terms upon which a new warrant or coupon may be issued in any case in which a warrant or coupon may have been worn out, defaced or destroyed, but no new warrant may be issued to replace one that has been destroyed unless the Board is satisfied beyond reasonable doubt that the original has been destroyed.
28. The shares included in any warrant shall be transferred by the delivery of the warrant without any written transfer and without registration, and to shares so included the provisions hereinafter contained with reference to the transfer of shares shall not apply.
29. Upon the surrender of his warrant together with the outstanding dividend coupons, if any, in respect thereof to the Company for cancellation, the bearer of a warrant shall be entitled to have his name entered as a member in the Register in respect of the shares included in the warrant, but

the Company shall in no case be responsible for any loss or damage incurred by any person by reason of the Company entering in its register upon the surrender of a warrant the name of any person not the true and lawful owner of the warrant surrendered.

### **LIEN ON SHARES**

30. The Company shall have a first and paramount lien on its shares (not being fully paid shares) to the extent and in the circumstances permitted by section 150 of the 1985 Act. The Company's lien (if any) on a share shall extend to all amounts payable in respect of it. The Board may waive any lien which has arisen and may resolve that any share shall be (or be issued on terms that it is) wholly or partially exempt from the provisions of this Article.
31. The Board may sell, in such manner as it may think fit (for which purposes the Board may authorise the conversion of shares to be sold which are certificated shares into uncertificated shares, and vice versa (so far as is consistent with the facilities and requirements of the relevant system concerned), any shares subject to a lien, but no sale shall be made until such time as the sum in respect of which such lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof and giving notice of intention to sell in default shall have been served on such member or the persons (if any) entitled to the shares by reason of his death or bankruptcy and default in payment, fulfilment or discharge shall have been made by him or them for seven days after service of such notice.
32. The net proceeds of any sale of shares subject to any lien, after payment of the costs, shall be applied in or towards satisfaction of the amount due to the Company, or of the liability or engagement (as the case may be), and any balance shall (subject to a like lien for any amount not presently payable as existed upon the shares prior to the sale) be paid to the member or the person (if any) entitled by reason of transmission of shares on death or bankruptcy to the shares so sold.
33. To give effect to any such sale as aforesaid, the Board may authorise a person to transfer the shares sold to, or in accordance with the directions of, the purchaser and may enter the transferee's name in the Register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

### **CALLS ON SHARES**

34. Subject to the provisions of these Articles and to the terms of allotment of the shares, the Board may from time to time make such calls on the members in respect of all monies unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) as it may think fit, provided that at least seven days' notice is given of each call. Each member shall be liable to pay the amount of every call so made on him to the persons, by the instalments (if any) and at the times and places appointed by the Board. A call may be wholly or in part revoked or the time fixed for its payment postponed by the Board.
35. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by instalments.
36. The joint holders of a share shall be jointly and severally liable for the payment of all calls and instalments in respect thereof.
37. If a call or instalment payable in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the said call or instalment is due shall pay interest on the amount of the call or instalment from the day appointed for payment thereof to the time of actual payment at such rate not exceeding two per cent. per annum above the base rate for the time being of Barclays Bank PLC as the Board shall fix, but the Board may waive payment of such interest wholly or in part.

38. No member shall be entitled to receive any dividend or other payment or distribution or to be present and vote at any general meeting either personally or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).
39. Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date, whether on account of the nominal amount of the share or by way of premium, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum were a call duly made and notified.
40. The Board may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.
41. The Board may, if it thinks fit, receive from any member willing to advance the same all or any part of the sums due on his shares beyond the sums actually called up thereon, and may pay or allow on the monies so paid in advance or so much thereof as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, such interest as may be agreed between it and such member, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up provided that no dividend shall be payable on so much of the monies paid up on a share as exceeds the amount for the time being called up thereon. The Board may at any time repay the amount so advanced on giving to such member not less than three months' notice in writing of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the share in respect of which it was advanced.

#### **TRANSFER OF SHARES**

42. Subject to such of the restrictions contained in these Articles as may be applicable, any member may transfer all or any of his shares (i) in the case of certificated shares, by instrument in writing in any usual or common form, or in such other form as the Board shall from time to time approve and (ii) in the case of uncertificated shares, in accordance with and subject to the Regulations and the facilities and requirements of the relevant scheme concerned. The Board may at any time after the allotment of any share but before any person has been entered in the Register as the holder thereof recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board may think fit to impose.
43. Such instrument of transfer of a certificated share must (if so required by law) be duly stamped and be left at the Office, or at such other place as the Board may appoint, accompanied by the certificate for the shares to be transferred (except in the case of a transfer by a recognised clearing house or nominee or a holder of shares in respect of whom the Company is not by law required to deliver a certificate and to whom a certificate has not been issued in respect of such shares) and/or such other evidence (if any) as the Board may require to prove the title of the intending transferor (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so).
44. Every instrument of transfer of a certificated shares must be in respect of only one class of share.
45. The instrument of transfer of a certificated share shall be signed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.
46. In the case of a partly paid up share the instrument of transfer must also be signed by or on behalf of the transferee.

47. All instruments of transfer which shall be registered shall (except in case of fraud) be retained by the Company, but any instrument of transfer which the Board may refuse to register shall (except in case of fraud) be returned to the party presenting the same.
48. The Board may, in its absolute discretion and without giving any reason, refuse to register a transfer of any share:
- (i) to more than four joint holders; or
  - (ii) where the share is not fully paid up provided that such action does not prevent dealings in the shares from taking place on an open and proper basis; or
  - (iii) on which the Company has a lien.
49. If the Board shall refuse to register a transfer of share, it shall, as soon as practicable and in any event, within two months after the date on which, in the case of certificated shares, the transfer was lodged with the Company or, in the case of uncertificated shares, the date on which the operator's instruction was received by the Company or a sponsoring system participator acting on its behalf, send to the transferee notice of such refusal together with reasons for the refusal as required by the Acts. The Directors shall send to the transferee such further information about the reasons for the refusal as the transferee may reasonably request.
50. The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods as the Board may from time to time determine provided that the register shall not be closed for more than thirty days in any year.
51. No fee shall be charged:
- (i) for registration of a transfer; or
  - (ii) on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney, notice or other instrument relating to or affecting the title to any shares.

### **TRANSMISSION OF SHARES**

52. In the case of the death of a member, the survivors or survivor, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
53. Subject to the provisions of these Articles, any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, on such evidence as to his title being produced as the Board may require (and in the case of uncertificated shares, subject also to the facilities and requirements of the relevant system concerned), elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof.
54. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing a transfer of such share to such person. All the provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.
55. A person entitled to a share in consequence of the death or bankruptcy of a member shall be entitled to receive, and may give a discharge for, any dividends or other monies payable in respect of the share, but he shall not be entitled in respect of it to receive notices of, or to attend or vote at

meetings of the Company, or, save as aforesaid, to exercise any of the rights or privileges of a member unless and until he shall become a member in respect of the share. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 60 days the Board may thereafter withhold payment of all dividends or other monies payable in respect of the share until the requirements of the notice have been complied with.

### **FORFEITURE OF SHARES**

56. (A) If a member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment thereof, the Board may at any time thereafter, during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him or on the person entitled to the share by reason of the member's death or bankruptcy requiring payment of such call or instalment or such part thereof as remains unpaid, together with interest at such rate not exceeding two per cent. per annum above the base rate for the time being of Barclays Bank PLC as the Board shall determine and any expenses incurred by the Company by reason of such non-payment.
- (B) The notice shall:
- (i) name a further day (not earlier than the expiration of seven days from the date of the notice) on or before which such call or instalment or part thereof and all interest and expenses that have accrued by reason of such non-payment are to be paid;
  - (ii) name the place where the payment is to be made; and
  - (iii) state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment was due will be liable to be forfeited.
- (C) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture, notwithstanding that they shall have been declared.
57. When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by reason of death or bankruptcy, as the case may be, and an entry of such notice having been given and of the forfeiture with the date thereof shall forthwith be made in the Register in respect of such share; but the provisions of this paragraph are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
58. Notwithstanding any such forfeiture as aforesaid, the Board may, at any time before the forfeited shares have been otherwise disposed of, annul the forfeiture, on the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share, or on the terms of compliance with the terms of any notice served under section 793 of the 2006 Act, as appropriate, and on such further terms (if any) as it shall see fit.
59. The Board may accept a surrender of any share liable to be forfeited hereunder.
60. Subject to the provisions of the Statutes, every share which shall be forfeited or surrendered shall thereupon become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before forfeiture or surrender the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board shall think fit, and the Board may if necessary authorise a person to transfer the same to such other person as aforesaid.

61. A shareholder whose shares have been forfeited or surrendered shall cease to be a member in respect of them but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture or surrender, and interest thereon to the date of payment in the same manner in all respects as if the shares had not been forfeited or surrendered, and to satisfy all (if any) claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture or surrender without any reduction or allowance for the value of the shares at the time of forfeiture.
62. The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share as between the shareholder whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Statutes given or imposed in the case of past members.
63. A statutory declaration that the declarant is a Director or Secretary of the Company and that a share has been duly forfeited or surrendered in pursuance of these Articles, and stating the date on which it was forfeited or surrendered, shall, as against all persons claiming to be entitled to the share adversely to the forfeiture or surrender thereof, be conclusive evidence of the facts therein stated and such declaration, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof and, in the case of certificated shares, a certificate for the share delivered to the person to whom the same is sold or disposed of, shall constitute a good title to the share. Subject to the execution of any necessary transfer (in the case of a certificated share) or the making of such other arrangements consistent with the facilities and requirements of the relevant system concerned (in the case of an uncertificated share), such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase money or other consideration (if any), nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture or surrender, sale, re-allotment or disposal of the share.

#### **CONVERSION OF SHARES INTO STOCK**

64. The Company may by ordinary resolution convert any paid up shares into stock and reconvert any stock into paid up shares of any denomination. After the passing of any resolution converting all the paid up shares of any class into stock any shares of that class which subsequently become fully paid and rank *pari passu* in all respects with such shares shall by virtue of this Article and such resolution be converted into stock transferable in the same units as the shares already converted.
65. The holders of stock may transfer the same, or any part thereof, in the same manner and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
66. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at General Meetings of the Company and other matters, and be subject to the same provisions of these Articles as if they held the shares from which the stock arose, but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that right, privilege or advantage.
67. Such of the provisions of these Articles as are applicable to paid up shares shall apply to stock and the words "share" and "shareholder" shall include "stock" and "stockholder" respectively.

#### **ALTERATION OF CAPITAL**

68. (A) The Company may by ordinary resolution:

- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (ii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and
  - (iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum or Articles of Association (as applicable), subject nevertheless to the provisions of the Statutes, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with, the others as the Company has power to attach to unissued or new shares.
- (B) Upon any consolidation of fully paid shares into shares of larger amounts, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may:
- (i) as between the holders of shares to be consolidated, determine which particular shares are to be consolidated into each consolidated share; and
  - (ii) in the case of any share registered in the name of one holder or joint holders being consolidated with shares registered in the name of another holder or joint holders, make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof and for such purpose may appoint some person to transfer the consolidated share to the purchaser and arrange either for the distribution among the persons entitled thereto of the net proceeds of such sale after deduction of the expenses of sale or (when such net proceeds in respect of any holding do not exceed Stg£3 or such greater sum as may be permitted from time to time by AIM) for the payment of such net proceeds to the Company.

The transferee shall not be bound to see to the application of the purchase monies nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

- (C) Provided that the necessary unissued shares are available, the Board may alternatively, in each case where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share, issue to each such holder credited as fully paid up by way of capitalisation the minimum number of shares required to round up his holding to such a multiple (such issue being deemed to have been effected immediately prior to consolidation) and the amount required to pay up such shares shall be appropriated at its discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares.

69. The Company may by special resolution reduce its share capital or any capital redemption reserve or share premium account in any manner authorised and subject to any conditions prescribed by the Statutes.

#### **PURCHASE OF OWN SHARES**

70. Subject to the provisions of the Statutes, the Company may purchase its own shares (including any redeemable shares) provided that if, prior to such purchase, there are convertible shares of the Company no such purchase shall be made and (where the Statutes require the contract for the purchase to be approved by a special resolution) no contract relating to any such purchase shall be entered into unless it:

- (i) has received the consent in writing of the holders of not less than three-quarters in nominal value of any class of convertible shares other than those which are convertible into shares which as respects dividend and capital carry a right to participate only up to a specified amount in a distribution; or
- (ii) has been sanctioned by a special resolution passed at a separate general meeting of the holders of such convertible shares.

### **INCREASE OF CAPITAL**

71. The Company may from time to time by ordinary resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such special rights (if any) or to be subject to such restrictions (if any) as are referred to in Article 7, as the general meeting resolving on such increase may direct. Subject to any directions made by the Company when resolving on the increase of capital, any new shares shall, subject to the provisions of Article 4 (B), be at the disposal of the Board and shall be considered as part of the original capital and shall be subject to the same provisions with reference to the payment of calls and the forfeiture of shares on non-payment of calls, transfer and transmission of shares, lien or otherwise as if they had been part of the original capital.

### **GENERAL MEETINGS**

72. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year. Not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall determine. All meetings of shareholders, other than annual general meetings, shall be called general meetings.
73. The Board may call general meetings whenever it thinks fit and general meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by section 303 of the 2006 Act. In the case of a general meeting called in pursuance of a requisition, unless such meeting shall have been called by the Board, no business other than that stated in the requisition as the objects of the meeting shall be transacted.

### **NOTICE OF GENERAL MEETINGS**

74. Subject to the provisions of the Acts, an annual general meeting shall be called by at least twenty-one days notice and all general meetings shall be called by at least fourteen days notice specifying the place, the day and the hour of meeting, the general nature of the business to be dealt with and, in the case of an annual general meeting, must state that the meeting is an annual general meeting.
75. Notice of a general meeting shall be given in the manner hereinafter mentioned to the Auditors and to such persons as are under the provisions of these Articles entitled to receive notice of general meetings from the Company, but with the consent of all persons for the time being entitled as aforesaid, or of such proportion thereof as is prescribed by section 307 of the 2006 Act, a meeting may be convened on a shorter notice, and in such manner as such persons may approve. The accidental omission to give such notice to, or the non-receipt of such notice by, any such person shall not invalidate any resolution passed or proceeding at any such meeting. 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.
76. In every notice calling a general meeting of the Company, there shall appear with reasonable prominence a statement 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 that the member may 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 the member.

77. In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

78. (A) No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. For all purposes the quorum shall be not less than two members present in person or by proxy.
- (B) If within 15 minutes (or within such longer time not exceeding one hour as the Chairman of the meeting may decide) from the time appointed for the holding of a general meeting a quorum is not present or if, during the meeting, a quorum ceases to be present, the meeting if convened on the requisition of members shall be dissolved. In any other case it shall stand adjourned to such day and at such time and place as Board may determine. At such adjourned meeting if a quorum is not present within fifteen minutes from the time appointed for holding the meeting, or if, during the meeting, a quorum ceases to be present, the member's present in person or by proxy shall be a quorum.
79. The Chairman (if any) of the Board shall preside at every general meeting of the Company. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to act as Chairman, the Deputy Chairman (if any) shall if present and willing to act preside at such meeting but if the Chairman and Deputy Chairman shall not be so present and willing to act the Directors present shall choose one of their number to act, or if there is only one Director present he shall be Chairman if willing to act. If there is no Director present and willing to act, the members present and entitled to vote shall choose one of their number to be Chairman of the meeting.
80. (A) The Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. The Chairman of the meeting may, at his sole discretion and without the requirement for the consent of the meeting, adjourn or otherwise make alternative appropriate arrangements for any general meeting at which in his opinion the venue arrangements cannot cater in an orderly fashion so as to enable the members present adequately to hear, speak and vote on the matters before the meeting. Without prejudice to the generality of the foregoing, the Chairman of the meeting may in such circumstances direct that the meeting be held simultaneously in two or more venues connected for the duration of the meeting by audio or audio-visual links or in two or more consecutive sessions with the votes taken being aggregated or that it be adjourned to a later time on the same day or a later date at the same or any other venue.
- (B) Whenever a meeting is adjourned for 14 days or more, seven clear days' notice at the least, specifying the place, the day, and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting.
- (C) No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
81. At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll be demanded by:
- (i) the Chairman of the meeting; or
- (ii) at least three persons entitled to vote at the meeting; or

- (iii) a member or members present in person or by proxy representing one-tenth of the total voting rights of all the members having the right to vote on the resolution ; or
  - (iv) a member or members present in person or by proxy 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.
82. The demand for a poll may be withdrawn. Unless a poll is duly demanded (and the demand is not withdrawn), a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.
83. If:
- (i) any objection is raised to the qualification of any voter; or
  - (ii) any votes have been counted which ought not to have been counted or which might have been rejected; or
  - (iii) any votes are not counted which ought to have been counted,
- the objection or error shall not vitiate the decision of the meeting on any resolution unless the same is raised or pointed out at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that the same is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.
84. If a poll be demanded in the manner aforesaid, it shall (subject as provided in Article 85) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman shall direct. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
85. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith.
86. In the case of an equality of votes, either on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll was demanded shall be entitled to a second or casting vote.
87. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business, other than the question on which a poll has been demanded.

### **VOTES OF MEMBERS**

88. Subject to any rights or restrictions for the time being attached to any class or classes of shares and to these Articles, on a show of hands every member present in person or by representative (in the case of a corporate member) or by proxy shall have one vote and on a poll every member who is present in person or by representative (in the case of a corporate member) or by proxy shall have one vote for each share of which he is the holder.
89. A member suffering from mental disorder, or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may, if so permitted by the Board in its absolute discretion, vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person

in the nature of a committee, receiver or curator bonis appointed by such court, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, or at such other place as is specified in accordance with these Articles for the lodgement of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll at which it is desired to vote.

90. If two or more persons are jointly entitled to a share, then in voting on any question the vote of the senior who tenders the vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders of the share, and for this purpose seniority shall be determined by the order in which the names stand in the Register.
91. (A) No member shall, unless the Board otherwise determines, be entitled in respect of any share held by that member to vote at any general meeting either personally or by proxy or at any separate meeting of the holders of any class of shares or to exercise any other right conferred by membership in relation to any such meeting if any call or other sum presently payable by the member in respect of that share remains unpaid.
- (B) If any member, or any other person appearing to be interested in any shares in the Company held by that member, has been duly served with a notice under section 793 of the 2006 Act (a "Section 793 Notice") and is in default for the prescribed period in supplying to the Company the information thereby required, then at any time thereafter the Board may at its absolute discretion by notice to such member (a "direction notice") direct:
- (i) that in respect of the shares in relation to which the default occurred ("default shares", which expression shall include any further shares issued after the date of the Section 793 Notice in respect of the first-mentioned shares) such member shall not be entitled to vote at any general meeting either personally or by proxy or at any separate meeting of the holders of any class of shares or to exercise any other rights conferred by membership in relation to any such meeting; and/or
  - (ii) if the default shares represent, at the date of the direction notice, 0.25 per cent. or more in nominal value of the issued shares of the relevant class of shares in the Company that:
    - (a) any dividend (or part thereof) or other monies which would otherwise be payable on such shares shall be retained by the Company until such time as the direction ceases to have effect (without any liability on the part of the Company to pay interest thereon) and that prior to such time the acceptance of an offer made by the Company under Article 159(B) in respect of any such dividend shall be of no effect; and/or
    - (b) no transfer, other than an excepted transfer, of any of the default shares shall be registered unless:
      - (i) the member is not himself in default as regards supplying the information required: and
      - (ii) the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.
- (C) The Company shall send a copy of the direction notice to each other person appearing to be interested in the relevant default shares the address of whom has been notified to the Company, but failure or omission by the Company to do so shall not invalidate such notice.
- (D) Any direction notice shall have effect in relation to default shares in accordance with its terms but shall cease to have effect:

- (i) on the expiry of five business days after the Company has received in writing all information required in respect of those default shares by every Section 793 Notice served on the holder thereof and each other person appearing to be interested in such shares; or
  - (ii) if such shares are transferred by means of an excepted transfer; or
  - (iii) if and to the extent that the Board so determines.
- (E) Where any person appearing to be interested in any shares has been served with a Section 793 Notice and such shares are held by a recognised depository, the provisions of this Article shall be deemed to apply only to those shares held by the recognised depository in which such person appears to be interested and references to default shares shall be construed accordingly.
- (F) Where the member on whom a Section 793 Notice has been served is a recognised depository, the obligations of the recognised depository acting in its capacity as such shall be limited to disclosing to the Company such information relating to any person appearing to be interested in the shares held by it as has been recorded by the recognised depository pursuant to the arrangements entered into by the Company or approved by the Board pursuant to which it was appointed as a recognised depository.
- (G) For the purposes of this Article:
- (i) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under section 793 of the 2006 Act which names such person as being so interested or if the Company (after taking into account the said notification and any other notification under the 2006 Act or any relevant information otherwise available to the Company) knows or has reasonable cause to believe that the person in question is, or may be, interested in the shares, and references in this Article to persons interested in shares and to interests in shares shall be construed in accordance with section 793 of the 2006 Act;
  - (ii) the prescribed period in respect of any shares is 28 days from the date of service of the Section 793 Notice in respect thereof, except where the shares to which such notice relates represent, at the date of the notice, 0.25 per cent. or more of the issued shares of the relevant class of shares in the Company, in which case such period shall be 14 days;
  - (iii) a transfer is an excepted transfer if (but only if):
    - (a) the transfer results from a sale made through a recognised investment exchange (as defined by the Financial Services and Markets Act 2000) or any stock exchange outside the United Kingdom on which the Company's shares (or rights in respect of those shares) are normally traded; or
    - (b) it is a transfer of shares to an offeror by way of acceptance of or in pursuance of a takeover offer (within the meaning of section 974 of the 2006 Act) for the Company; or
    - (c) the Board is satisfied that the transfer is made pursuant to a sale to a party who, in the opinion of the Board, is not connected with the holder thereof or with any other person appearing to be interested in such shares prior to such transfer (being a party which itself is not the holder of any shares in the Company in respect of which a direction notice is then in force or a person appearing to be interested in any such shares) and the Board does not have reasonable grounds to believe that the transferor or any other person appearing to be interested in such first-mentioned shares will following such transfer have any interest in such shares;

- (iv) a recognised depository is a custodian or other person appointed under arrangements entered into with the Company or otherwise approved by the Board whereby such custodian or other person holds or is interested, directly or indirectly through a nominee, in shares of the Company or rights or interests in respect thereof and issues securities or other documents of title, or maintains accounts, evidencing or recording the entitlement of the holders thereof, or account holders, to or to receive such shares, rights or interests, provided and to the extent that such arrangements have been approved by the Board for the purposes of this Article and shall include, where so approved by the Board, the trustees (acting in their capacity as such) of any employees' share scheme established by the Company;
  - (v) a reference to a person being in default in supplying to the Company the information required by a Section 793 Notice includes a reference to his having failed or refused to give all or any part of it and also includes a reference to his having given information which he knows to be false in a material respect or having recklessly given information which is false in a material respect.
- (H) None of the provisions contained in this Article shall in any way limit or restrict the rights of the Company under section 793 of the 2006 Act or any other power of the Company whatsoever.
92. On a poll:
- (i) votes may be given either personally or by representative or by proxy; and
  - (ii) a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
93. Any person (whether a member of the Company or not) may be appointed to act as a proxy. A member may appoint two or more persons as proxies in the alternative but if he shall do so only one of such proxies may attend as such and vote instead of such member on any one occasion.
94. An appointment of a proxy:
- (i) Shall, unless otherwise permitted by the Directors:
    - (a) be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation, either under its common seal or under the hand of some officer or attorney duly authorised in that behalf;
    - (b) be deemed to include the power to demand or to concur in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit but shall not confer any further right to speak at the meeting except with the permission of the Chairman; and
    - (c) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates;
  - (ii) may be in any common form or in such other form as the Board shall approve provided that it shall be so worded as to enable the proxy to vote either for or against the resolutions to be proposed at the meeting at which the proxy is to be used;
  - (iii) need not be witnessed;
  - (iv) may, if so permitted by the Directors, be contained in an Electronic Communication in accordance with these Articles, authenticated or executed in such a manner as is specified by the Directors; and

- (v) shall not preclude a member from attending and voting in person at the meeting or poll concerned. A member may appoint more than one proxy to attend on the same occasion and, if he does, he shall specify the number of shares in respect of which each proxy is entitled to exercise the related votes and shall ensure that no proxy is appointed to exercise the votes which any other proxy has been appointed by that member to exercise.
95. (A) An appointment of a proxy (together with evidence required by the Directors pursuant to Article 94) must:
- (i) in the case of an instrument made in writing in hard copy form, rather than contained in an Electronic Communication, be deposited at the Office, or at such other place in the United Kingdom as is specified in (i) the notice of meeting or notice of any adjournment or (ii) in the instrument of proxy issued by the Company in relation to the meeting or adjourned meeting not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or such shorter time as the Board may determine) at which the person named in the instrument proposes to vote;
  - (ii) in the case of an appointment (where permitted by the Directors) contained in an Electronic Communication be received at such address as may have been specified for that purpose in (i) the notice convening the meeting or notice of any adjournment (ii) any instrument of proxy sent out by the Company in relation to the meeting or adjourned meeting or (iii) any invitation contained in an Electronic Communication to appoint a proxy issued by the Company in relation to the meeting or adjourned meeting not less than 48 hours before the time appointed for the meeting or adjourned meeting (or such shorter time as the Board may determine) at which the person named in the appointment proposes to vote;
  - (iii) in the case of either an instrument or an appointment by Electronic Communication, where a poll is taken more than 48 hours after it is demanded, be received after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall be invalid save that in the case of a proxy appointed by a corporation the Board shall have a discretion to accept such proxy's vote notwithstanding the fact that the relevant appointment documentation has not been deposited at the Office as required by this Article;
  - (iv) in the case only of an instrument, where a poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded, to the chairman of the meeting or to the secretary or to any Director.
- (B) No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution or in the case of an appointment contained in an Electronic Communication the date it was sent except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.
- (C) The proceedings at a general meeting shall not be invalidated where an appointment of a proxy in respect of that meeting is sent in an Electronic Communication as provided in these Articles, but because of a technical problem it cannot be read by the recipient.
- (D) The Board may at its discretion determine that in calculating the periods mentioned in this Article 95 no account shall be taken of any part of a day that is not a business day.
96. The Board may at the expense of the Company send, by post, Electronic Communication or otherwise, instruments of proxy (reply-paid or otherwise) to members for use at any general

meeting or at any meeting of any class of members of the Company, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall be issued to all (and not some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy.

97. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given, provided that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office, or at such other place as is referred to in Article 84, at least one hour before the commencement of the meeting or adjourned meeting or the taking of the poll at which the instrument of proxy is used.

### **CORPORATIONS ACTING BY REPRESENTATIVES**

98. Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person or persons as it thinks fit to act as its representative or representatives (as the case may be) at any meeting of the Company, or at any meeting of any class of members of the Company, and the person so authorised shall subject to the provisions of the Acts be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

### **DIRECTORS**

99. The number of Directors shall not be less than two.
100. A Director shall not be required to hold any qualification shares but shall be entitled to receive notice of, attend and speak at all general meetings of the Company and of any class of members of the Company.
101. (A) Unless otherwise decided by the Company by ordinary resolution, the Company shall pay to the Directors (but not alternate Directors, a Managing Director or an Executive Director) for their services as Directors such amount of aggregate fees as the Board decides. 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 101 (A) is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of these Articles or otherwise and accrues from day to day.
- (B) The Directors shall also be entitled to be repaid all travelling hotel and other expenses necessarily incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from Board meetings, Committee meetings or general meetings or otherwise incurred while engaged on the business of the Company.
- (C) If by arrangement with the Board any Director shall perform or render any special duties or services outside his ordinary duties as a Director, the Board or for the avoidance of doubt any duly authorised committee of the Board may award him special remuneration, in addition to any fees or ordinary remuneration, and such special remuneration may be by a lump sum or by way of salary, commission, participation in profits or otherwise as may be arranged, and shall be charged as part of the Company's ordinary working expenses.
102. Subject as herein otherwise provided, the office of a Director shall be vacated:
- (i) if a receiving order is made against him or he makes any arrangement or composition with his creditors generally; or

- (ii) if he absents himself from the meetings of the Board during a continuous period of six months without special leave of absence from the Board, and the Board passes a resolution that he has by reason of such absence vacated his office; or
- (iii) if he is prohibited from being a Director by any order made under any provision of the Statutes or he becomes prohibited by law from being a Director; or
- (iv) if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
- (v) if by notice in writing given to the Company he resigns his office; or
- (vi) if all his co-Directors resolve that he be removed from office as a Director; or
- (vii) if he is removed from office under section 168 of the 2006 Act or pursuant to Article 125,

but any act done in good faith by a Director whose office is vacated as aforesaid shall be valid unless, prior to the doing of such act, written notice shall have been served upon the Company or an entry shall have been made in the Directors' minute book stating that such Director has ceased to be a Director of the Company.

#### **DIRECTORS' INTEREST**

103. (A) The Board may, subject to the quorum and voting requirements set out in this Article 103 and Article 104 authorise any matter which would otherwise involve a Director breaching his duty under the Acts to avoid conflicts of interest ("**Conflict**").
- (B) A Director seeking authorisation in respect of a Conflict shall declare to the Board the nature and extent of his interest in a Conflict as soon as is reasonably practicable. The Director shall provide the Board with such details of the relevant matter as are necessary for the Board to decide how to address the Conflict together with such additional information as may be requested by the Board.
- (C) Any Director (including the relevant Director) may propose that the relevant Director be authorised in relation to any matter the subject of a Conflict. Such proposal and any authority given by the Board shall be effected in the same way that any other matter may be proposed to and resolved upon by the Board under the provisions of these Articles save that:
- (i) the relevant Director and any other Director with a similar interest shall not count towards the quorum nor vote on any resolution giving such authority; and
  - (ii) the relevant Director and any other Director with a similar interest may, if the other members of the Board so decide, be excluded from any Board meeting while the Conflict is under consideration.
- (D) Where the Board gives authority in relation to a Conflict:
- (i) the Board may (whether at the time of giving the authority or subsequently) (a) require that the relevant Director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at meetings of the Board or otherwise) related to the Conflict; and (b) impose upon the relevant Director such other terms for the purpose of dealing with the Conflict as it may determine;
  - (ii) the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Board in relation to the Conflict;

- (iii) the Board may provide that where the relevant Director obtains (otherwise than through his position as a Director of the Company) information that is confidential to a third party, the Director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
- (iv) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- (v) the Board may revoke or vary such authority at any time but this will not affect anything done by the relevant Director prior to such revocation in accordance with the terms of such authority.

#### **NOTIFICATION OF INTERESTS**

104. (A) If a Director is in any way directly or indirectly interested in a proposed contract with the Company or a contract that has been entered into by the Company, he must declare the nature and extent of that interest to the Directors in accordance with the Statutes.
- (B) For the purposes of the foregoing Article 104(A):
- (i) a general notice given to the Board by a Director to the effect that he is a member of any specified firm or company and is to be regarded as interested in any contract which may, after the date of the notice be made with that company or firm or he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him (within the meaning of the Acts) shall (if such Director shall give the same at a meeting of the Board or shall take reasonable steps to ensure that it is brought up and read at the next meeting of the Board after it is given) be deemed a sufficient declaration of interest in relation to any contract so made;
  - (ii) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- (C) The references in this Article 104 and in Articles 103 and 105 to:
- (i) **"a contract"** include references to any proposed contract and to any transaction or arrangement or proposed transaction or arrangement whether or not constituting a contract; and
  - (ii) **"a conflict of interest"** include a conflict of interest and duty and a conflict of duties
- (D) The Company may by ordinary resolution suspend or relax the provisions of this Article 104 and Articles 103 and 105 to any extent or ratify any contract not properly authorised by reason of a contravention of any of the provisions of this Article, Article 103 and Article 105.
- (E) An interest of a person who is for the purpose of the Acts connected with a Director shall be treated as an interest of the Director, and in relation to an alternate Director, an interest of his appointer shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.
- (F) Provided he has declared his interest in accordance with this Article 104, a Director may:
- (i) be party to, or otherwise interested in, any contract with the Company or in which the Company has a direct or indirect interest;

- (ii) hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and upon such terms, including as to remuneration, as the Board may decide;
  - (iii) act by himself or through a firm with which he is associated in a professional capacity for the Company or any other company in which the Company may be interested (otherwise than as auditor);
  - (iv) be or become a director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary company of the Company or any other company in which the Company may be interested; and
  - (v) be or become a director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest at the time of his appointment as a director of that other company.
- (G) Where proposals are under consideration concerning the appointment, or the settlement or variation of the terms or the termination of the appointment, of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in that case each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution unless it concerns his own appointment or the settlement or variation of the terms or the termination of his own appointment or the appointment of another Director to an office or place of profit with a company in which the Company is interested and the Director seeking to vote or be counted in the quorum has a relevant interest in it.
- (H) A company shall be deemed to be one in which a Director has a relevant interest if and so long as (but only if and so long as) he is to his knowledge (together with any person connected with him within the meaning of the Acts) the holder of or beneficially interested directly or indirectly in one per cent, or more of any class of the equity share capital of that company (calculated exclusive of any shares of that class in that company held as treasury shares) or of the voting rights available to members of that company. In relation to an alternate director, an interest of the appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.
- (I) Where a company in which a Director has a relevant interest is interested in a contract, he also shall be deemed interested in that contract.
- (J) If any question shall arise at any time of the Board as to the interest of a Director (other than the chairman of the meeting) in a contract and whether it is likely to give rise to a conflict of interest or as to the entitlement of any Director (other than the chairman of the meeting) to vote or be counted in the quorum and the question is not resolved by his voluntarily agreeing to abstain from voting, or not to be counted in the quorum, the question shall be referred to the chairman of the meeting and his ruling in relation to the Director concerned shall be conclusive except in a case where the nature or extent of the Director's interest (so far as it is known to him) has not been fairly disclosed to the Board. If any question shall arise in respect of the chairman of the meeting, the question shall be decided by a resolution of the Board (for which purpose the chairman of the meeting shall be counted in the quorum but shall not vote on the matter) and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chairman of the meeting (so far as it is known to him) has not been fairly disclosed to the Board.
- (K) Subject to these Articles, the Board may also cause any voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of the voting power or power of appointment in favour of the appointment of the Directors or any of them as directors or officers of the other company, or in favour of the payment of

remuneration to the directors or officers of the other company. Subject to these Articles, a Director may also vote on and be counted in the quorum in relation to any of such matters.

105. A Director shall not, by reason of his office or of the fiduciary relationship thereby established, be liable to account to the Company for any remuneration, profit or other benefit realised by reason of his having any type of interest authorised under Article 103 (A) or permitted under Article 104 (F) and no contract shall be liable to be avoided on the grounds of a Director having any type of interest authorised or permitted under Article 104 (F).

#### **DIRECTORS CONTRACTING WITH THE COMPANY**

106. Save as provided in these Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum of a meeting in relation to any resolution on which he is debarred from voting and if he shall vote, his vote shall not be counted.
107. A Director shall (in the absence of a material interest other than those indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
- (i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
  - (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
  - (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not interested (as that term is used in sections 820-825 of the 2006 Act) in one per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all the circumstances);
  - (v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes;
  - (vi) any proposal relating to any arrangement for the benefit of employees under which he benefits or may benefit in a similar manner as the employees and which does not accord to him as a Director any privilege or advantage not generally accorded to the employees to whom the arrangement relates; or
  - (vii) subject to the Statutes, any proposal concerning the purchase and/or maintenance of any insurance policy under which a Director may benefit.

#### **POWERS AND DUTIES OF DIRECTORS**

108. The business of the Company shall be managed by the Board, which may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company and as are not by the Statutes or by these Articles required to be exercised

or done by the Company in general meeting, subject nevertheless to the provisions of the Statutes and of these Articles and to such regulations (not being inconsistent with such aforesaid provisions) as may be prescribed by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

109. The Board may at any time and from time to time and by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
110. The continuing Directors may act as a Board at any time notwithstanding any vacancy in their body provided always that in case the Directors shall at any time be reduced in number to less than the minimum number prescribed by or in accordance with these Articles it shall be lawful for them to act as a Board for the purpose of filling any vacancies in their body or of summoning a general meeting of the Company, but not for any other purpose.
111. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed (as the case may be) in such manner as the Board shall from time to time by resolution determine.

#### **BORROWING POWERS**

112. Subject to the Statutes, the Board may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property, assets, (present or future) and uncalled capital or any part thereof and (subject to section 80 of the 1985 Act), to issue debentures, debenture stock and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party, up to an amount equal to the greater of four (4) times the net asset value of the Company or £20,000,000 (or such increased amount as is sanctioned by shareholders in general meeting).

#### **LOCAL BOARDS**

113. The Board may establish any committees, local boards or agencies for managing any of the affairs of the Company either in the United Kingdom or elsewhere, and may appoint any persons to be members of such committees, local boards or agencies and may delegate to any committee, local board, or agent any of the powers, authorities and discretions vested in the Board (including without limitation the power to authorise ordinary or special remuneration), with power to sub-delegate, and may authorise the members of any local board, or any of them, to fill any vacancies, and any such appointment or delegation may be on such terms and subject to such conditions as the Board may think fit. The Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

#### **MANAGING DIRECTOR AND OTHER APPOINTMENTS**

114. The Board may from time to time appoint any one or more of its body to the office of Managing Director and/or such other office in the management of the business of the Company or place of profit under the Company, except that of the Auditors, as it may decide for such period (subject to the provisions of section 188 of the 2006 Act) and on such terms as it thinks fit, and may vest in such Managing Director or such other officer (herein referred to as an **“Executive Director”**) such of the powers hereby vested in the Board as it may think fit, and such powers may be made exercisable for such period or periods, and on such conditions and subject to such restrictions, and generally on such terms as to remuneration and otherwise, as it may determine. The

remuneration of a Managing Director or Executive Director may be made payable by way of salary or commission or participation in profits, or by any or all of those modes, or otherwise as may be decided by the Board and it may be made a term of his appointment that he shall receive a pension, gratuity or other benefit on his retirement. Such remuneration may be in addition to or instead of a fee payable to the Managing Director or Executive Director for his services as Director pursuant to these Articles.

115. A Managing Director or Executive Director shall be taken into account in determining the retirement by rotation of Directors, and in all other respects he shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to be Managing Director or Executive Director if he shall cease to hold the office of Director for any cause.

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

116. At the annual general meeting of the Company in every year one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one third, shall retire from office and each Director shall retire from office at least once every three years. A Director retiring at a meeting shall retain office until the close or adjournment of the meeting.
117. Unless and until otherwise determined by the Company by ordinary resolution, either generally or in any particular case, no Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of 70, and any Director retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed a Director shall be capable of being re-appointed or appointed, as the case may be, as a Director notwithstanding that at the time of such re-appointment or appointment he has attained the age of 70 and no special notice need be given of any resolution for the re-appointment or appointment or approving the appointment as a Director of a person who shall have attained the age of 70, and it shall not be necessary to give to the members notice of the age of any Director or person proposed to be re-appointed or appointed as such.
118. The Directors to retire in every year shall be those who are subject to retirement by rotation and who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
119. A retiring Director shall be eligible for re-election.
120. The Company at the meeting at which a Director retires in the manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring Director shall, if offering himself for re-election, be deemed to have been re-elected except in any of the following cases:
- (i) at such meeting it is expressly resolved not to fill such vacated office or a resolution for the re-election of such Director is put to the meeting and lost; or
  - (ii) such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
  - (iii) such Director has attained any retiring age applicable to him as Director pursuant to the Statutes.
121. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.
122. No person other than a Director retiring at the meeting shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless not less than seven

nor more than 21 days before the date appointed for the meeting there shall have been left at the Office notice in writing signed by a member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

123. The Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.
124. Any Director appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the conclusion of the next following annual general meeting and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.
125. The Company may by ordinary resolution, of which special notice has been given in accordance with section 312 of the 2006 Act, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim which such Director may have for damages for breach of any contract of service between him and the Company.
126. The Company may by ordinary resolution appoint another person in place of a Director removed from office under Article 125 and without prejudice to the powers of the Directors under Article 123, the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A person appointed in place of a Director so removed or to fill such a vacancy shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

#### **DIVISIONAL DIRECTORS**

127. (A) The Board may from time to time appoint any manager or other officer or person in the employment of any company in the Group for the time being to be a Divisional Director of the Company.
- (B) The appointment of a person to be a Divisional Director shall not, save as otherwise agreed between him and the Company or the subsidiary (if any) in whose service he may be, affect the terms and conditions of his employment by the Company or by any such subsidiary, whether as regards duties, remuneration, pension or otherwise, and his office as a Divisional Director shall be vacated in the event of his being removed from office by a resolution of the Board.
- (C) The appointment, removal and remuneration of a Divisional Director shall be determined by the Board with full powers to make such arrangements as the Board may think fit, and the Board shall have the right to enter into any contract on behalf of the Company or to transact any business of any description without the knowledge or approval of any Divisional Director, except that no act shall be done that would impose any personal liability on any or all of the Divisional Directors except with his or their knowledge and consent.
- (D) In calculating the number to form a quorum at any meeting of the Board any Divisional Director shall not be counted.
- (E) A Divisional Director shall not be entitled to receive notice of or to vote at a meeting of the Board or (except when expressly invited by the Board to do so) to attend a meeting of the Board. He shall not require any share qualification and shall not be deemed to be a Director for the purposes of the Statutes or these Articles.

#### **ALTERNATE DIRECTORS**

128. (A) Each Director shall have the power to nominate any other Director or any person approved for that purpose by resolution of the Board to act as alternate Director at

meetings of the Board in his place during his absence and, at his discretion, to revoke such nomination.

- (B) Any appointment or removal of an alternate Director shall be effected by an instrument in writing delivered at the Office and signed by the appointor.
- (C) An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notice of meetings of the Board and of any committee of the Board of which the appointor is a member and to attend and to vote at any such meeting and to perform thereat all the functions of his appointor. An alternate Director shall have one vote for each Director whom he represents, in addition to his own vote if he is a Director, but he shall not be counted more than once in the quorum. If his appointor is for the time being absent from the United Kingdom or otherwise not available the appointee's signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.
- (D) An alternate Director shall be entitled to contract and to be interested in and to benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
- (E) An alternate Director shall *ipso facto* cease to be an alternate Director if his appointor ceases for any reason to be a Director, provided that if any Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force.

### **PROCEEDINGS OF DIRECTORS**

- 129. A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board by notice (which need not be in writing) served upon the several members of the Board.
- 130. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to him either personally or by sending the same through the post addressed to him at the address given to the Company by him or on his behalf to the Company for this purpose or sent by Electronic Communication to such address (if any) for the time being notified by him or on his behalf to the Company for this purpose. It shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from his last known address or such other address (if any) for the time being notified by him or on his behalf to the Company and who has provided no forwarding address or who, having provided such address, cannot be contacted after a reasonable attempt to do so. Any Director may waive notice of any meeting and any such waiver may be retrospective.
- 131. The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit and determine the quorum necessary for the transaction of business. Any Director may participate in a meeting of the Board by means of conference telephone or similar communication equipment whereby all the Directors participating in the meeting can hear each other and the Directors participating in this manner shall be deemed to be present in person at such meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the Director who initiated the meeting by way of conference telephone or similar communication equipment is present.
- 132. Until otherwise determined, but subject to Article 110, two Directors shall be a quorum.
- 133. Questions arising at any meeting shall be decided by a majority of votes.

134. In case of an equality of votes the Chairman shall have a second or casting vote.
135. For the purpose of these Articles an alternate Director shall be counted in a quorum provided that at least one other Director or person duly appointed as an alternate Director is also present and a Director who is an alternate Director shall be entitled to a separate vote on behalf of the Director whom he is representing in addition to his own vote.
136. A resolution in writing signed by all the Directors for the time being in the United Kingdom, if constituting a majority of the Directors, shall be as effective for all purposes as a resolution passed at a meeting of the Board duly convened, held and constituted and may consist of several documents in like form each signed by one or more of the Directors.
137. The Board may from time to time elect or otherwise appoint a Director to be Chairman or Deputy Chairman and determine the period for which each of them is to hold office.
138. The Chairman, or in his absence the Deputy Chairman, shall preside at meetings of the Board, but if no such Chairman or Deputy Chairman shall be elected or appointed, or if at any meeting the Chairman or Deputy Chairman shall not be present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.
139. (A) The Board may delegate all or any of its powers, authorities and discretions to any committee or committees as it may think fit. Any such committee may consist of one or more members of the Board, and the Board shall also be entitled to appoint such other person or persons as it considers expedient to a committee but so that the majority at least of the members of any such committee shall consist of Directors and no resolution of the committee shall be effective unless a majority of the members of the committee present at the relevant meeting consists of Directors.
- (B) Any committee so formed shall in the exercise of the power, authorities and discretions so delegated conform to any regulations that may be imposed on it by the Board.
- (C) The Board may authorise any such committee or subsidiary to sub-delegate all or any of the powers, authorities and discretions delegated to it and the Board may at any time dissolve any such committee or revoke or vary any delegation made to any such committee or subsidiary.
- (D) The meetings and proceedings of a committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not suspended by any regulations imposed by the Board under or by the provisions of paragraph (B) of this Article.
140. All acts done bona fide by any meeting of the Board, or of a committee of the Board, or by any person acting as a Director or alternate Director or a member of such committee shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or such committee or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director or, as the case may be, an alternate Director and had been entitled to vote.

### **MINUTES**

141. (A) The Board shall cause minutes to be made:
- (i) of all appointments of officers made by the Board;
- (ii) of the names of the Directors present at each meeting of the Board and of committees of the Board; and

- (iii) of all resolutions and proceedings at all meetings of the Company and of the Board and of committees of the Board.
- (B) Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the Chairman of the meeting at which the proceedings were conducted or by the Chairman of the next succeeding meeting.

### **THE SEAL**

142. (A) Subject to paragraph (B) of this Article, the Board shall provide for the safe custody of the Seal, which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf, and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose provided that the Board may either generally or in any particular case or cases resolve (subject to such restrictions as to the manner in which the Seal may be affixed as the Board may determine) that such signatures or any of them may be affixed to certificates for shares or debentures or representing any other form of security by some mechanical means other than autographic to be specified in such resolution or that such certificates need not be signed by any person.
- (B) Subject to the Statutes, the Company may dispense with the need for the Seal, either generally or in respect of particular classes of documents, at the Board's discretion, and, whether it does or does not dispense with the Seal, a document signed by a Director and the Secretary or by any two Directors and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if executed under the Seal, and a document so executed by the Company which makes it clear on its face that it is intended to be a deed shall have effect upon delivery as a deed.
143. (A) The Company may have:
- (i) an official seal kept by virtue of section 40 of the 1985 Act; and
  - (ii) an official seal for use abroad under the provisions of the Statutes, where and as the Board shall determine, and the Company may by writing under the Seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and may impose such restrictions on the use thereof as may be thought fit.
- (B) Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any of such official seals as aforesaid.

### **SECRETARY**

144. Subject to the provisions of the Statutes, the Secretary shall be appointed by the Board for such term, at such remuneration and on such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. The Board may from time to time appoint one or more deputy or assistant Secretaries.
145. (A) Anything by the Statutes or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Board.
- (B) A provision of the Statutes or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

## RECORD DATES

146. Notwithstanding any other provision of these Articles the Board may fix a date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time within six months before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

## DIVIDENDS AND RESERVES

147. The Company in general meeting may declare dividends but no dividends shall exceed the amount recommended by the Board.
148. The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend but no interim dividend shall be paid on shares carrying deferred or non-preferential rights if at the time of payment any preferential dividend is in arrear. Provided that the Board acts bona fide, the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.
149. The Board may also pay half-yearly or at other suitable intervals to be settled by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits justify the payment.
150. No dividend shall be paid otherwise than out of profits available for distribution in accordance with the Statutes.
151. No dividend shall bear interest against the Company.
152. (A) The Company shall have the power to cease sending dividend warrants by post if previous warrants sent to the same member have been returned undelivered or left uncashed, provided that such power may not be exercised until such warrants have been returned or so left uncashed on at least two consecutive occasions or, following one such occasion, reasonable enquiries have failed to establish any new address of the registered holder.
- (B) All unclaimed dividends may be invested or otherwise made use of by the Company as the Board shall think fit, until the same be claimed and so that the Company shall not thereby be constituted as a trustee in respect thereof.
- (C) Any dividend or other sum remaining unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company.
153. The Board may, before recommending any dividend (whether preferential or otherwise), set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall (subject to the Statutes) at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly 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 (other than shares of the Company) as the Board may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to divide.
154. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect

whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share.

155. All dividends shall be apportioned and (subject to any lien of the Company) paid to members on the register on the date the dividend is declared, made or paid notwithstanding any subsequent transfer or transmission of shares proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
156. The Board may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
157. Subject to the provisions of the Statutes, any general meeting declaring a dividend may upon the recommendation of the Board direct payment of such dividend wholly or partly by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways, and the Board shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient, and in particular may issue in the case of certificated shares fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members on the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board.
158. Any dividend, interest or other monies payable in cash on or in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the holder or person entitled thereto, or by direct debit or bank transfer to such bank or building society account as the member or person entitled thereto in writing directs, or by such other means, including electronic media offered by the Company as the holder or person entitled thereto may in writing agree, and in the case of joint holders, to the registered address or bank or building society account of that one of the joint holders who is first named on the Register, or to such person and to such address or such bank or building society account or other electronic account as the holder or joint holders may in writing direct or agree in writing with the Company. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or such person as the member, person entitled or joint holders direct and the payment of the cheque or warrant by the bankers on whom it is drawn shall be a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable in respect of the shares held by them as joint holders. Every cheque or warrant shall be sent at the risk of the person entitled to the money it represents and the Company shall not be responsible for any cheque or warrant lost in transmission.

### **CAPITALISATION OF RESERVES**

159. (A) The Company may, upon recommendation of the Board, resolve to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account and not required for payment of dividend on any shares with a preferential right to dividend and, accordingly, that such sum be set free for distribution amongst the members on the record date specified in the relevant resolution who would have been entitled thereto if distributed by way of dividend and in the same proportion, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members on the record date specified in the relevant resolution in the proportion aforesaid, or partly in one way and partly in the other. The Board may give effect to such resolution provided that:
- (i) a share premium account and a capital redemption reserve may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid up shares; and

- (ii) that no unrealised profits shall be used in paying up any amounts unpaid on any issued shares.
- (B) Subject to the provisions of this Article the Board may, with the prior sanction of an ordinary resolution of the Company offer the holders of Ordinary shares the right to elect to receive, in respect of all or part of their holding of Ordinary shares, additional Ordinary shares in the capital of the Company, credited as fully paid, instead of cash in respect of such dividend or dividends (or parts thereof) as are specified by such resolution. The following provisions shall apply:
- (i) the said resolution may specify a particular dividend, or may specify all or any dividends paid, proposed to be paid or declared within a specified period, but such period must expire not later than the end of the fifth annual general meeting to be held following the date of the meeting at which such resolution is passed;
  - (ii) save where the said resolution specifies or requires otherwise, the entitlement of each holder of Ordinary shares to new Ordinary shares shall be determined by the Board so that the Relevant Value thereof shall be as nearly as practicable equal to (but not in excess of) the cash amount (disregarding any tax credit) that such shareholder would have received by way of dividend. For this purpose "Relevant Value" shall be calculated by reference to the average of the middle market quotations for the Company's Ordinary shares on AIM on the day when the Ordinary shares are first quoted "ex" the relevant dividend and four dealing days thereafter or in such other manner as may be determined by or in accordance with an ordinary resolution of the Company. A certificate of or report by the Auditors as to the amount of any dividend shall be conclusive evidence of that amount;
  - (iii) the basis of allotment shall be such that no member may receive a fraction of an Ordinary share and an election to receive Ordinary shares in lieu of a cash dividend which gives rise to a fractional entitlement will be deemed to be an election to receive only that whole number of additional Ordinary shares which is as nearly as possible equal to but not greater than the cash amount of the dividend to which the member is otherwise entitled;
  - (iv) the Board, after determining the basis of allotment, shall notify the holders of Ordinary shares in writing of the right of election offered to them, and, subject as provided in paragraph (x) below, shall send with, or following, such notification forms of election and specify the procedure to be followed and the place at which, and the latest time by which, duly completed forms of election must be lodged in order to be effective;
  - (v) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary shares in respect whereof the said election has been duly made ("the elected Ordinary shares") and instead thereof additional Ordinary shares shall be allotted to the holders of the elected Ordinary shares on the basis of allotment determined as aforesaid. For such purpose the Board shall capitalise out of such of the sums standing to the credit of any of the Company's reserves (including any share premium account, capital redemption reserve fund or any other undistributable reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the Board may determine, a sum equal to the aggregate nominal amount of the additional Ordinary shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued Ordinary shares for allotment and distribution to and amongst the holders of the elected Ordinary shares on such basis;
  - (vi) the additional Ordinary shares so allotted shall rank *pari passu* in all respects with the fully paid Ordinary shares then in issue save only as regards participation in the relevant dividend (or share election in lieu);

- (vii) where the Ordinary shares constitute authorised investments for the purposes of the Trustee Investments Act 1961 the Board shall (unless otherwise resolved by the Company in general meeting) ensure that at least part (being such part as the Board may decide) of the dividend payable on each Ordinary share in each calendar year is paid in cash;
- (viii) the Board may on any occasion determine that rights of election hereunder shall be subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to legal or practical problems under the laws of or the requirements of any recognised regulatory body or any stock exchange in any territory;
- (ix) the Board may undertake and do such acts and things as it may consider necessary or expedient for the purpose of giving effect to the provisions of this Article including (without limiting the foregoing) making such provisions as they may think fit in relation to any fraction of an Ordinary share which may or would arise pursuant to the application of paragraph (iii) of this Article (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned); and
- (x) the Board may introduce and operate such arrangements as it may consider necessary whereby any holder of Ordinary shares may agree (unless and until such arrangements are by written notice terminated in respect of any holder by the Board or by any such holder himself) to elect to receive in respect of all (but not part) of his holding of Ordinary shares additional Ordinary shares of the Company in lieu of the whole (but not part) of all future dividends payable on his holding of Ordinary shares in respect of which the Company (pursuant to any authority of the Board in general meeting as is specified in this Article) offers to holders of Ordinary shares such right to elect ("relevant dividends") (subject always to the provisions of paragraph (iii) hereof) and during the continuance of such arrangements in respect of any holder of Ordinary shares (a) the Board shall not be obliged to send forms of election to any such holder in accordance with paragraph (iv) hereof; and (b) the agreement by such holder to elect as aforesaid shall be effective for all purposes as an election in respect of all relevant dividends;
- (xi) in relation to any particular proposed dividend the Board may in its absolute discretion withdraw or terminate the offer previously made to holders to elect to receive additional Ordinary shares in lieu of the cash dividend (or that part of the dividend in respect of which a right of election has been offered) at any time prior to the allotment of the additional Ordinary shares. The Board shall not proceed with any offer unless the Company has sufficient authorised but unissued Ordinary shares and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment has been determined.

160. Whenever such a capitalisation as aforesaid shall have been resolved upon the Board shall make all appropriations and applications of the reserves or undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid up shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to make such provision by the issue of, in the case of certificated shares, fractional certificates or by payment in cash or otherwise as it thinks fit including the right of the Company to retain amounts the cost of apportionment of which would be disproportionate to the amounts involved in the case of shares or debentures becoming distributable in fractions and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled on such capitalisation and (as the case may require) for the payment up by the Company on their behalf by the application thereto of their respective proportions of the reserves or profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on all such members.

## ACCOUNTS

161. The Board shall cause accounting records to be kept in accordance with the Statutes.
162. The Board shall from time to time determine whether, in any particular case or class of cases, or generally, and to what extent, and at what times and places and under what conditions or regulations the accounts and books of the Company, or any of them, shall be open to the inspection of members, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company, except as conferred by the Statutes or as authorised by the Board or by resolution of the Company in general meeting.
163. The Board shall from time to time, in accordance with the Statutes, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in the Statutes.
164. (A) Subject to paragraph (B) of this Article and to Article 173, copies of all such documents as are referred to in Article 163 and any other documents required by law to be annexed thereto shall not less than 21 days before the date of the meeting before which they are to be laid be sent to all the members at their registered address and to all holders of debentures of the Company and to the Auditors as required by and subject to the provisions of the Statutes.
- (B) Instead of the documents referred to in paragraph (A) of this Article, the Company may send a summary financial statement prepared in accordance with the Statutes and any relevant regulations to members where permitted by the Statutes and any such regulations, subject to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with legal or practical problems arising in any overseas territory or by virtue of shares being represented by depositary receipts or the requirements of any regulatory body or stock exchange.
- (C) This Article shall not require a copy of the documents referred to in paragraphs (A) or (B) of this Article to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

## AUDIT

165. The accounts of the Company shall be examined and audited by the Auditors in accordance with the Statutes.

## AUTHENTICATION OF DOCUMENTS

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

## AUDITORS

168. Subject to the provisions of the Statutes, all acts done by any person or persons acting as Auditors shall, as regards all persons dealing in good faith with the Company, be valid notwithstanding that

there was some defect in their appointment or that they have at the time of their appointment not qualified for appointment.

169. The Auditors shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive, and to be heard at any general meeting on any part of the business of the meeting which concerns them as Auditors.

#### **UNTRACED SHAREHOLDERS**

170. (A) The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a member or any share or stock to which a person is entitled by transmission if and provided that:
- (i) for a period of twelve years (a) no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the member or to the person entitled by transmission to the share or stock at his address on the Register, or other the last known address given by the member or the person entitled by transmission to which cheques and warrants are to be sent, has been cashed; (b) at least three dividends in respect of the shares in question have become payable; (c) no dividend has been claimed; and (d) no communication has been received by the Company from the member or the person entitled by transmission; and
  - (ii) the Company has on or after the expiration of the said period of twelve years by advertisement in both a national newspaper and in a newspaper circulating in the area in which the address referred to in paragraph (i) of this Article is located given notice of its intention to sell such share or stock; and
  - (iii) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission; and
  - (iv) the Company has first given notice in writing to the London Stock Exchange of its intention to sell such shares or stock.
- (B) To give effect to any such sale the Company may appoint any person (i) in the case of certificated shares, to execute as transferor an instrument of transfer of such share or stock and/or (ii) in the case of uncertificated shares, to authorise and procure the execution of such transfer in accordance with and subject to the Regulations and the facilities and requirements of the relevant system concerned, and such transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such share or stock. The Company shall account to the member or other person entitled to such share or stock for the net proceeds of such sale and shall be deemed to be his debtor, and not a trustee for him in respect of the same. Any monies not accounted for to the member or other person entitled to such share or stock shall be carried to a separate account and shall be a permanent debt of the Company. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Board may from time to time think fit.

#### **DESTRUCTION OF DOCUMENTS**

171. The Company may destroy:
- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;

- (ii) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date such mandate, variation, cancellation or notification was recorded by the Company;
- (iii) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and
- (iv) any other document on the basis of which any entry in the Register is made, at any time after the expiry of six years from the date on which an entry in the Register was first made in respect of it,

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

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

#### **NOTICES**

172. (A) The Company shall send any notice, or other document or information pursuant to these Articles and the Acts to a member by whichever of the following methods it may in its absolute discretion determine:
- (i) personally; or
  - (ii) or by sending it through the post in a prepaid cover addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notice, or by delivering it to such address addressed as aforesaid; or
  - (iii) if the member has agreed (generally or specifically) that the document or information may be sent or supplied using electronic means (and has not revoked that agreement), by sending the notice or other document using electronic means to such address (if any) for the time being notified to the Company by or on behalf of the member for that purpose (generally or specifically); or
  - (iv) in accordance with Article 172 (B)
- (B) The Company may also send any notice or other document or information pursuant to these Articles and the Acts to a member by publishing that notice or other document or information on a website where:
- (i) the member has agreed (or is taken to have agreed in accordance with the Acts) to him having access to the notice or document or information on a website (instead of it being sent to him);
  - (ii) the notice or document is one to which that agreement applies;

- (iii) the member is notified, in writing, of:
    - (a) the publication of the notice or document on a website;
    - (b) the address of that website;
    - (c) the place on that website where the notice or document may be accessed, and how it may be accessed; and
  - (iv) the notice or document is published on that website throughout the publication period, provided that, if the notice or document is published on that website for a part, but not all of, the publication period, the notice or document shall be treated as being published throughout that period if the failure to publish that notice or document throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.
- (C) In Article 172 (B) "publication period" means:
- (i) in the case of a notice of an adjourned meeting pursuant these Articles a period of not less than seven clear days before the date of the adjourned meeting, beginning on the day following that on which the notification referred to in Article 172 (B)(iii) is sent or (if later) is deemed sent;
  - (ii) in the case of a notice of a poll pursuant these Articles, a period of not less than seven clear days before the taking of the poll, beginning on the day following that on which the notification referred to in Article 172 (B)(iii) is sent or (if later) is deemed sent;
  - (iii) otherwise, for the applicable notice period specified in these Articles or any applicable provision of the Acts; and
  - (iv) in any other case, a period of not less than 28 days, beginning on the day following that on which the notification referred to in Article 172 (B)(iii) above is sent or (if later) is deemed sent.
- (D) Where a notice or other document or information is served or sent by (i) first class post, service or delivery shall be deemed to be effected on the day immediately following the day upon which the cover containing the same is posted and (ii) second class post, service or delivery shall be deemed to be effected on the second day after which the cover containing the same is posted unless, in either case, the day of posting is a Saturday or a Sunday, in which case, service or delivery shall be deemed to be effected the day immediately following the day it would otherwise have been deemed effective pursuant to the aforementioned provisions; and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted (or put into a post box). Any notice or other document or information sent using Electronic Communication shall be deemed to be served and delivered at the expiration of twenty-four hours after the time it was sent, and in proving such delivery or service, proof that a notice or other document or information contained in an Electronic Communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice or other document or information made available on a website, the notice or other document or other information shall be deemed to have been received on the date on which it was first made available on the website or, if later, when a notice of availability is received or deemed to have been received pursuant to these Articles.
173. (A) If at any time by reason of the suspension or curtailment of postal services or an electronic communications system in the United Kingdom within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post or by Electronic Communication and the Board has resolved it is necessary to do so in the interests of the Company, a general meeting may be convened by notice advertised

on the same date in at least one national newspaper and such notice shall be deemed to have been duly served on all members entitled thereto on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post or by Electronic Communication if at least six clear days prior to the meeting the posting or sending of notices to addresses throughout the United Kingdom again becomes practicable.

- (B) Notwithstanding anything in the Statutes or these Articles, if by reason of suspension or curtailment of postal services or an electronic communications system within the United Kingdom the Company is unable in the opinion of the Board to deliver the documents referred to in paragraphs (A) or (B) of Article 164 (as the case may be) to persons entitled thereto by the time therein prescribed, the Company may nevertheless proceed validly to convene and hold the general meeting before which such documents are to be laid by giving notice of such meeting in accordance with paragraph (A) of this Article, but so that the reference in the final sentence of that paragraph to "confirmatory copies of the notice" shall be read to include the relevant documents referred to in Article 164 and the reference therein to "six clear days" shall be read as "three clear days" and provided always that such documents shall be made available for inspection during normal business hours at the Office throughout the period from the date of publication of the notice convening such meeting until the date of the meeting and also at the meeting itself.

174. All notices or other documents or information directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register, and notice or other document or information so given shall be sufficient notice to all the holders of such share.
175. A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share, and upon supplying also an address within the United Kingdom for the service of notices or other document or information shall be entitled to have served upon or delivered to him at such address any notice, or other document or information to which the member but for his death or bankruptcy would be entitled, and such service or delivery shall for all purposes be deemed to be sufficient service for delivery of such notice, or other document or information on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice, or other document or information delivered or sent by post to or left at the address of any member in pursuance of these presents shall, notwithstanding that such member be then dead or bankrupt, and whether or not the Company shall have notice of his death or bankruptcy, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first-named joint holder.
176. A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices, or other documents or information shall not be entitled to receive notices or other documents or information from the Company.

#### INDEMNITY

177. Subject to the provisions of the Statutes, the Company may purchase and maintain for any Director, Managing Director, Secretary or other officer or employee or agent of the Company, or the Auditors, insurance against any liability. Subject to the provisions of the Statutes, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every person who is or has been a Director, Managing Director, Secretary and other officer or employee of the Company shall (to the extent the proceeds of any insurance policy against such liability are insufficient to meet such liability in full) be indemnified out of the assets of the Company against any liability relating to his conduct as, or incurred by him as, such Director, Managing Director, Secretary or other officer or employee of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 (3) or section 144 (4) of the 1985 Act or section 727 of the 1985 Act in which relief is granted to him by the Court; and, if the Board thinks fit, every agent and the Auditors may be so indemnified against any liability incurred by him/them in defending any such proceedings.

**Horizonte Minerals plc**

**INDEX TO NEW ARTICLES OF ASSOCIATION**

<b>Article</b>	<b>Subject Matter</b>	
	PRELIMINARY.....	1
	BUSINESS.....	3
	SHARE CAPITAL .....	4
	SHARE CERTIFICATES .....	5
	UNCERTIFICATED SHARES.....	6
	SHARE WARRANTS TO BEARER.....	7
	LIEN ON SHARES.....	8
	CALLS ON SHARES .....	8
	TRANSFER OF SHARES.....	9
	TRANSMISSION OF SHARES.....	10
	FORFEITURE OF SHARES.....	11
	CONVERSION OF SHARES INTO STOCK.....	12
	ALTERATION OF CAPITAL .....	12
	PURCHASE OF OWN SHARES .....	13
	INCREASE OF CAPITAL .....	14
	GENERAL MEETINGS.....	14
	NOTICE OF GENERAL MEETINGS .....	14
	PROCEEDINGS AT GENERAL MEETINGS .....	15
	VOTES OF MEMBERS .....	16
	CORPORATIONS ACTING BY REPRESENTATIVES .....	21
	DIRECTORS.....	21
	DIRECTORS' INTEREST .....	22
	NOTIFICATION OF INTERESTS.....	23
	DIRECTORS CONTRACTING WITH THE COMPANY .....	25
	POWERS AND DUTIES OF DIRECTORS .....	25
	BORROWING POWERS .....	26
	LOCAL BOARDS.....	26
	MANAGING DIRECTOR AND OTHER APPOINTMENTS .....	26
	ROTATION, APPOINTMENT AND REMOVAL OF DIRECTORS .....	27
	DIVISIONAL DIRECTORS .....	28
	ALTERNATE DIRECTORS .....	28
	PROCEEDINGS OF DIRECTORS.....	29
	MINUTES.....	30
	THE SEAL .....	31
	SECRETARY .....	31
	RECORD DATES .....	32

DIVIDENDS AND RESERVES .....	32
CAPITALISATION OF RESERVES .....	33
ACCOUNTS .....	36
AUDIT .....	36
AUTHENTICATION OF DOCUMENTS .....	36
AUDITORS .....	36
UNTRACED SHAREHOLDERS .....	37
DESTRUCTION OF DOCUMENTS .....	37
NOTICES .....	38
INDEMNITY .....	40